WHY NOT END POVERTY ?

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By the

REV. F. H. DRINKWATER

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F. H. DRINKWATER.

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I

HOW IT COULD BE DONE

VISCOUNT SNOWDEN'S proposals for financing Lloyd George's New Deal only confirm the impression that our Elder Statesmen have little idea of the nature and meaning of Money in the twentieth century.

He thinks that vast public works (mostly unremunerative for the present) can be paid for out of the average citizen's savings.

He estimates that "£200,000,000 annually for a number of years" could be borrowed by the nation in that way.

But, in the first place, why should the nation have to sink deeper and deeper in debt, even to its own citizens? Every year as it is, the nation has to pay two or three hundred millions away in interest—surely that's enough?

In the second place, would the average citizen be willing to sink his savings in public works which, however valuable to the country, would be unlikely to pay any dividend to anybody in our lifetime?

And in the third place, what on earth would be the use of a mere £200,000,000, even "for a number of years"? It would enable a few minor things to

be attended to, arrears of school-building or road-widening, and such-like, but it would be nothing towards the vast social and economic reconstruction that England awaits.

Viscount Snowden and Lloyd George and the rest are still thinking of Money as of something that lies heaped up in strong-rooms of banks waiting to be used. "Abundance of money lying idle"—that is the picture in their own words. There is no truth in such a picture.

Money in our time consists of a never-ending stream of credits; it is issued by the banks to industry, it circulates and does its work well or badly, and then is repaid to the banks (as water returns to the ocean) to be there cancelled and perhaps re-issued.

The point is that Money is a stream, of which the source could be controlled for the public welfare.

If the creative use of Money were once accepted, Poverty could now be abolished almost at once. New legislation would hardly be necessary. All the administrative machinery seems to be in existence already.

Suppose, for instance, that the Chancellor of the Exchequer announces (to the great joy of all good citizens and to the considerable strengthening of the National Government) that in order to give effect to the King's Christmas desire—that the nation should meet its difficulties "in the spirit of one family"—he is going to raise the old-age pension to £1, and give it to everyone at sixty, and fifty-five in the case of unmarried women; thereby re-

warding the veterans of industry and at the same time attacking the unemployment problem in two ways, first by earlier retirement of the employed, and secondly by increasing the purchasing power of the home market.

The extra pensions might cost (let us say at a guess) £400,000 a week. The Chancellor would raise this—after a short but firm conversation with the Governor of the Bank of England—by "Ways and Means Advances." This is an item which appears every week in the official statement of the National Debt; its meaning is that the Government, for reasons of practical convenience, is sometimes allowed an overdraft on the Bank of England *without interest.* "Ways and Means Advances" hitherto have been trivial or nil, but there seems no good reason why they should remain so, if the Bank of England really were (as Viscount Snowden imagines) "a State Bank for practical purposes."

On the strength of this free credit (not a debt in the usual sense) the Chancellor would print the extra books of pension-orders which the recipients would cash every week at the Post Offices as at present. By the end of the week the whole £400,000 would be in the banks, swelling the current accounts of the retail shopkeepers, etc., and in another month or two most of it would have been transferred to the wholesalers and the primary producers.

In effect, the new old-age-pensioners would be giving a fine weekly order of £400,000 to the primary producers and the distributors.

When the money had thus performed its work, the

central surviving stream of it would have accumulated in the bank-accounts of the manufacturers and primary producers. They might return some of it into industry by using it instead of an overdraft as working-capital to fulfil their next orders. But meanwhile the Chancellor would assist the circulatory process by means of an Excess-Profits-Tax which would relieve traders and producers (including house-landlords, as being retailers of living-accommodation) of all profits on their turnover except a fair return for the services rendered. This would prevent mere piling-up of bank-credit as well as inflation of prices, would give the small trader a better chance of survival, and would finally enable the Chancellor to repay his overdraft to the Bank of England about as fast as it was being incurred.

Very little expansion of legal-tender currency would probably be needed; the old-age-pensioners would get their cash at the post office, but this might mean increasing the "circulation-velocity" of notes and coins already in existence rather than expanding the issue. If in spite of everything the prices of necessities showed any tendency to rise unduly (though there seems no reason why they should) the machinery for regulating that is also in existence already.

Thousands of people of all classes and parties are convinced that poverty in this country could be abolished at once by action along various lines more or less similar to that described above. If it is not practicable, will somebody please say why?

March, 1935.

II

THE MYTH OF THE IDLE MILLIONS

"HUGE sums of money lying idle in the banks," says Mr. Lloyd George: "Let us use these idle millions and England will be prosperous once more."

The official Labour Party is not much better. Almost any day in Labour papers and speeches you can read similar phrases, faint echoes of the former day-dreams of a "capital levy."

It is all rubbish, because money is not like that at all. Money in the twentieth century is not something that lies about in heaps of gold or even paper, waiting to be begged or borrowed or stolen. It is just figures in books—bank-credit, in fact.

Isn't it true, then, that there are (say for argument's sake) a thousand millions on deposit in the banks, which its owners would be very glad to invest safely and profitably if they could? Yes, of course it is true. But what are those thousand millions in reality, and where did they come from?

They are not any kind of permanent money, but merely a stream of bank-credit temporarily held up on its way to cancellation.

We must get into our heads the simple fact that

bank-deposits are created by bank-loans (including under bank-loans the purchase of Government securities, which means a loan to the Government). If the bank allows me a loan (overdraft) of £10, and I give you my cheque for that amount, you promptly pay my cheque into your own banking account, where it increases your own deposit, if you have one. If you happen to be working on an overdraft, the £10 will go towards repaying the overdraft to the bank, and thus the £10 will be cancelled out of existence altogether.

It is just the same when a bank allows some great industrial concern a credit of ten millions. The ten millions goes into circulation as wages, payments for raw materials, etc., and in a brief time hundreds of primary producers and shopkeepers and house-landlords have paid money into their banking accounts, increasing their deposits or repaying their overdrafts by a total of roughly ten millions. Finally, the big industrial concern begins to sell its products, and myriads of bank-depositors spend some of their deposit in buying these products. The big industrial concern gets back its ten million pounds, uses it to repay its loan to the bank, and *that ten millions is cancelled.*

In other words, practically every bank-deposit standing in somebody's name is the consequence of a bank-loan issued to somebody else and not yet repaid. Consequently the "huge sums of money lying idle in the banks" have ultimately the nature not of savings but of overdrafts. If you spend or invest your deposit it will ultimately result in the

other man paying off his overdraft ; *that much money will be cancelled, and it will be re-issued only if the moneylenders see fit.*

Consequence No. 1 : Even if the Government did get hold of the " idle millions " and used them for unremunerative public works, they would be spent in a few weeks, and by being spent would be cancelled ; and there would be no more forthcoming where that came from.

Consequence No. 2 : Even the " idle millions " that are now in the banks would all vanish into thin air if the banks called in their loans.

Consequence No. 3 : The stream can be made to flow through the consumption end of the economic process just as easily as through the production end, provided suitable arrangements are made for cancelling. In other words, consumer-credit in the form of National Dividend is perfectly practicable.

Conclusion : Except for the small change used in day-to-day transactions, there is nothing concrete and permanent about what we use for money now. Money is a stream, constantly being issued at one end and constantly being cancelled at the other end after it has done its work.

The endless circle of water-supply in Nature—rain-cloud, spring, river, ocean, rain-cloud again—would be a fair illustration of how the money-and-credit system of a nation should work ; the ocean standing for the National Credit limited only by the natural resources of the nation and the willingness of its people to work them.

Moral : The urgent thing is to free the source of

that beneficent stream—" the economic life-blood " as the Pope calls it—from the Usurers who with sublimest impudence have established themselves at the very fountain-head, fencing it round as their own property and regulating the supply in accordance with their own selfish interests utterly regardless of the fate of their fellow-men and women.

Only about 3 per cent. of what we use for money in this country is King's money. The rest is Usurers' money, lent to us if we can pay interest for it. " Cheap money " in fact is proudly proclaimed as the policy of the Government. Cheap money! The very words are an insult to God and His commandments! Money is not a commodity to be bought and sold.

Nothing at all can be done on the scale we urgently need, until that money-stream is set flowing for the welfare of all the people, to irrigate every corner of England and make possible once more the fruitful marriage of the effort of man with the bounty of God.

Meanwhile, perhaps you will stop me if you've heard this one :

Chairman of Means Test Committee : " I see you are getting 15s. 3d. a week, and living in lodgings. Don't you think you would be better off with your parents ? "

Applicant : " Yes."

Chairman : " Where are they ? "

Applicant : " Dead ! "

March, 1935.

III

USURY IN POWER

THE world is dying of Usury. That is the central fact of our lifetime. The fatal diseases which are killing mankind—the Unemployment *impasse*, the urge to War, the universal Insecurity—all these are the direct consequences of Usury.

Debt is piled on debt in all spheres and relations of life. Leaving aside the world-wide structure of international debt, so much of which has broken down, and yet so much of which also still goes on producing its diabolical effects, each Government staggers under its load of debt to its own usurers—nearly £8,000,000,000 for our Government alone. Then the municipal debts—hundreds of millions again—and the vast unreckonable loan-burdens of private businesses and institutions.

Loan-conversions and " cheap money " ease the situation a little, but slowly because the money-lenders are often clever enough to put in their contracts one clause fixing a high rate of interest and another clause forbidding the loan to be repaid for a long term of years. Over two hundred millions of municipal loans (it is said) are fixed in this way for another five or ten years at double the interest-rate now current.

Extraordinary, surely, that statesmen even when they talk about public works to relieve unemployment, can think of nothing better to suggest than fresh loans which would simply pile up another Himalaya on top of the already unclimbable mountain-range of debt that confronts us.

They talk as if such loans were raised from the ordinary citizen who invests his savings in it. So they are to a trivial extent, but the real money-lenders are quite different. Listen to a lively journalist describing what happens when a successful Government loan is being issued by the Bank of England.

"The scene was outside the Bank of England's temporary loan offices in Princes-street.

"The men in the queue were applicants for the £150,000,000 Three per Cent. Treasury Loan.

"The rush hour had not properly started in the City when the first two clerks took up their stand outside the Bank doors. Within five minutes there were twenty in the queue. At the end of half an hour the queue was forty yards long. It was like no other queue. The men all wore dark clothes. Their faces were set, and they clutched portfolios under their arms. There were few jokes.

"The applications poured in. In the first two and a half hours the Treasury was offered, it was estimated in the City last night, about £250,000,000.

It is rumoured now that the question of the relief scales and the Unemployment Board will not be settled till "June or July." The average citizen thinks comfortably: "Well, that's all right! The reductions are not being enforced. The stand-still order can go on for a few months."

What the average citizen does not realise is that the stand-still order helps the unemployed very little except in those areas where the old regulations were being interpreted generously last year. Those were the areas that made the trouble in February, because their incomes were suddenly cut to the bone.

But there were plenty of others—prosperous Birmingham is one—where they had been cut to the bone already, because the regulations had always been interpreted in the strictest and most ungenerous fashion. In these low-scale areas the stand-still order means not a postponement of reductions but a continuation indefinitely of the means-test at its worst.

If there was unfairness before—as there certainly was—in the variations between local authorities, there is much graver unfairness now that the government has admitted in practice that the more generous authorities were justified.

That is one item. Another is the position of the unemployed in regard to health insurance.

At the present moment thousands of those who have suffered prolonged unemployment, and who, therefore, have nothing in the way of resources and are probably more liable to illness than others, are deprived of all rights to health-insurance benefits,

not only the cash benefits, maternity benefit, etc., but even their own panel-doctor's attendance and treatment.

This has been going on for three months now, causing very severe hardships to a great number of the poorest. Nobody bothers much about it. The nation at large hasn't even heard of it. If any Catholic actionists want something to make a fuss about, I make them a present of this glaring cruelty.

I forgot to say that if the rules are enforced, all the unemployed persons referred to above will lose their pension rights as well at the end of the present year.*

Well then, of course, if you want more instances there are the usual means-test suicides. Here are six or seven that happened to meet my own eye since the last time I wrote in this newspaper.

A sixteen-year-old boy in Scunthorpe hanged himself in his bedroom after making unavailing searches for employment. "The coroner said the boy must have hanged himself in a sudden frenzy following a series of disappointments."

A Bilston man, unemployed nearly two years, was found in the canal. His widow told the coroner he was "taken off the means-test," and for the first time for thirty-four years he had no money to bring home. This worried him and he was depressed about his sons having to keep him.

A Birmingham woman, aged fifty-two, drowned

* Subsequently in May the Government announced legislation to ensure medical treatment and pension rights in such cases, but not sick pay, nor maternity benefit.

"So the money rolled in at £1,000,000 a minute.

"In spite of this avalanche of gold the City remained calm.

"Most of the people who had stood in the queue and those who entered the Bank up to 11.30 were messengers or clerks from financial houses.

"They filed their applications for thousands of pounds, and strolled out as calmly as if they had been buying halfpenny stamps in the post office.

"Thousands of applications by post from the country had come in.

"At 11.30 a grey-haired Bank servant walked to the door and posted a large notice stating that the lists had been closed."

(*Daily Express*, April 6th, 1934.)

Alas, however, for the picturesque journalistic touch—"*this avalanche of gold!*" There is no avalanche of gold from the private banks which have probably bought up the greater part of such an issue. They do not part with any gold. They do not part with anything. They pay for the stock (in effect) with an I.O.U., which the Government proceeds to use as money. They are using the nation's credit, putting their hand into the nation's pocket, in order to buy "Government securities" for themselves.

Before we built the new church in our parish we were accumulating a Building Fund, and every year or so after the War, I used to buy a few hundred

pounds of War Loan with what was in the deposit account. *That* was real money, collected from house to house, and taken along in heaps of silver and copper by me to the bank on Monday mornings.

In spite of its being such a desirable investment, there was never any difficulty or delay in buying War Loan, and sometimes it used to cross my mind to wonder why. It seemed rather a mystery. There is no mystery about it now. The reason was that every Bank and financial institution held huge quantities of War Loan which they had acquired without ever having had to pay for it (paying for it in fact merely by credit-creation against the War Loan itself as security) and were therefore only too pleased to dispose of some of it to people like me who would give them actual money for it.

The picture of the queue of bank-messengers waiting to shower an avalanche of I.O.U.'s upon the Chancellor of the Exchequer, in the sure and certain knowledge that he will pay perpetual interest upon them and tax the people of England to do it, is the true picture of every national and municipal loan. The money is all imaginary. The debt is a ridiculous imposture. The whole system is a staggering swindle that has gone on long enough.

It is the right and the duty of a sovereign Government to create its own money. The Treasury notes that were issued in 1914 were a very good legal-tender currency in their way: their quantity was regulated automatically by rules framed in the interests of the people of England. The money-lenders disliked them, and they were withdrawn in

favour of Bank of England notes in 1928. Since then only about 3 per cent. of what we use for money is King's money. Strange to say, however, the Bank of England does occasionally lend small sums to the Government—temporary overdrafts so to speak—without charging interest. These accommodations go by the name of Ways and Means Advances, and it is conceivable that they might become a very useful precedent and method for any Government which might decide to rescue England.

England led the modern world into this nightmare land ruled by Usury, and it is for England to lead the way back to human sanity and freedom.

April, 1935.

IV

UNDER THE USURER'S HEEL

"EIGHTEEN thousand unemployed demonstrators came into conflict with the police . . . *there were a number of women amongst those hurt.*"

That was in last week's paper. And a week or so before that there was:

> "Twenty strikers and six policemen were injured to-day in baton charges . . . *several women were also hit during hand-to-hand fighting* with police."

If any of our rulers are capable of thought, those two items ought to make them think.

Women are by instinct and temperament peaceful and non-revolutionary. Ninety-nine out of a hundred women, without having much opinion of law, are strong for order and distrustful of change. If conditions are endurable at all, they endure them without questioning the why or wherefore. If they join the forces of disorder it is because they see no alternative and no hope.

The nation is still far from realising—from being allowed to realise—the meanness and inhumanity of its attitude to the unemployed, and the spiritual tragedy that results.

herself after being out of work for two years. Her sister said she had repeatedly said she was tired of life.

A London commercial traveller was too proud to confess that he was out of work, and he went out and returned at regular hours. His body was found in the Thames with a note in his pocket : " Down and out and cannot get a job to pay my way and pay off my debts. Thanks to everyone who has helped me, and may I be forgiven. Life with such worries is not worth while."

A Norbury man, aged fifty, was thirty years with one firm, but lost his job fifteen months ago. He led his wife to believe he had found another and went off to the imaginary job regularly every morning ; but one day this month his body was found at the foot of Beachy Head. " The coroner said this poor man acted very nobly. He made believe he was employed to save others from worry, and was overcome by worry himself."

A man who came to Smethwick looking for work was found dead with a wound in his throat. " He had been unemployed since last June, and the deputy coroner said that he thought the man went out of his mind through worry."

I spent half a day in Manchester lately, and bought a local paper as I do everywhere, because it is only in local papers that you see the real news. Sure enough, there was an inquest on a Blackburn man who took his life by gas-poisoning. Under the cushion of his chair was a note from the Unemployment Assistance Board informing him that his

application for an allowance had been turned down. His wife said this was because she was working.

Usury is the main cause of all these things ; just as Usury is the main cause that the nations are re-arming for war.

Nationalise the money-supply, which ought never to have been un-nationalised, and there will be money enough for all those poor folk.

" Ah ! " says the Government, " but we must not demoralise people. Our policy is employment, not relief."

" Well, give them employment, in the name of God ! " one answers. To which Mr. Neville Chamberlain hastens to reply that it does not pay to do so. Truly, the economics of the madhouse !

In last week's *Catholic Herald* there was a sentence or two in Hugh Forbes's article that was God's truth. He was speaking of the slum-gangsters, but it is true of all those other things : " The slums can't help themselves. Suburbia could do it, could cure it all. Until it does, let it be slow to speak."

And Suburbia (my lords, very reverend and reverend fathers, ladies and gentlemen) means you and me. If we blindly follow the behests of the usurers there will be nothing left for us to plead but the excuse that was offered by Cain—and not accepted.

March, 1935.

V

THE SECOND DEADLY SIN

THERE is a virtue named "Distributive justice," which is described as the virtue which moves the State to distribute common goods and burdens amongst its citizens.

"Our moralists have hardly done their duty by this virtue," remarks Fr. Lewis Watt, S.J., commenting in the *Clergy Review* on statements to the same effect by Père Faidherbe.

I suppose the duty of the State to restrain the activities of the Usurer would come under the heading of distributive justice, and certainly we must admit that in this matter our moralists have not been very ready with their practical suggestions during the momentous years since 1914.

Hence a certain puzzlement of the average Catholic when faced with such seeming novelties (though indeed they are anything but novelties in the Catholic tradition) as are proclaimed by Fr. Charles Coughlin. If what he says about High Finance is true, why don't other priests say the same? Perhaps many of them do for all I know; still, it must be a genuine problem on the western side of the Atlantic and would be so on ours except that we have no Father Coughlin.

The real answer to it would involve a complete history of Usury, which would be out of place here. By Usury, I do not mean merely the taking of interest on loans, which is a relatively unimportant trick. In the broad sense, Usury is Avarice in action—the second of the seven capital sins; its instrument is Money—Money used as Power.

Usury itself is nothing new. Thousands of years before Christ it was strangling the Babylonian civilisation, and we all know how the Old Testament legislated vigorously against it. So did the Greek and Roman civilisations, but it ruined them all the same in the end. With the memory of that in mind, Christian teachers for nearly two thousand years fought the Usurer with gloves off. Half a century after the Bank of England had been founded, the Popes were still refusing to allow that interest could be charged on a loan merely because it was to be used for production.

But meanwhile two things had happened to give to the Usurer the greatest opening he had ever had in the history of the world. The science and discovery of the Renaissance-time had opened up unlimited possibilities for the investor; unlimited money was suddenly needed, far more money than any gold and silver could supply. The money-lenders rose to the occasion, and bluffed everybody—especially the kings—into using their paper promises as if they were gold. Their bank-notes and cheques supplied the urgent need for money, and they were careful to keep the supply of this new form of spending-power in their own hands, and surround

it with all possible mystery. Once they had safely brought off their supreme coup, of getting the nation as a whole into their debt, and thus annexing the collective credit of the community, they naturally had little difficulty in getting whatever alterations they needed made in the civil laws. The age of Modern Finance, of National Debt, of international lending, of Central Banks, of Company Promoting, of War Loans—in short, the golden age of Usury—had begun.

For the moralist the position was exceedingly difficult. Everyone could see that there was dangerous novelty in the new ways, and yet everyone too could see that the immediate results were beneficial and that something of the kind was necessary. The loans and loan-charges that had once been called Usury were now the unavoidable every-day routine of business. They had obtained the cautious approval of Calvin; but the Catholic conscience was not so easily satisfied, and confessors of the stricter sort kept the issue alive.

During the eighteenth and nineteenth centuries repeated requests were made to Rome for guidance—especially on whether Catholics might lend money at interest as and when allowed by the law of the land, without troubling further about titles. Rome always refrained from settling this question in principle, but answered that in practice such penitents were not to be disquieted in conscience, so long as they were willing to obey any future decision of the Holy See on the matter. And there the problem still rests. The main question about loan-interest

(as Dom J. B. McLaughlin says in the *Clergy Review*, of January, 1935) is still *sub judice*. As for investors who keep within the civil law—the practical rule for nearly two centuries has been *non inquietandi*.

It is at this point I suppose (in 1873 if you like, when the various instructions on Usury were summarised by Rome) that the moralists have failed us. Rome said in effect : " There is something suspicious about this modern finance, and yet it seems absolutely necessary too. Let us wait and see." When a difficult moral question stands that way, all the more reason (one might argue) for the experts to ascertain the full facts and discuss the matter thoroughly. Instead of which, they have been content to rest upon the " *Non inquietandi*," treating it as a moral decision rather than as an interim instruction for confessors, and confining their chapter on Usury to the attempt to justify in logical theory what was already admitted in practice.

The omission has not passed altogether unnoticed by Catholics. Speaking of the Encyclical, *Rerum Novarum* (1891), Mrs. V. M. Crawford records the fact that the Fribourg study circle (the international group of influential Catholics started by Cardinal Mermillod, which led the Catholic social movement in the 'eighties) while rejoicing in much, " was disappointed that the Holy Father merely touched, in a single phrase, on the wide problem of credit and on the evil of ' rapacious usury ' to which they themselves had devoted special attention ; and in the light of present-day international troubles there seems a prophetic ring in Count Blöme's

assertion that ' if we do not succeed in transforming our actual system of credit, all other means to rescue us from the social peril will fail.' " (*Catholic Social Year Book*, 1933.)

Another interesting quotation, this time from the Benedictine, Fr. Scherer, O.S.B., writing in 1909 : " Concerning usury—religious instruction has become mute, legislation keeps quiet, the Church keeps silent, the State keeps its hands idle in its lap. Such conditions cannot continue any longer." (*Bibliothek für Prediger*, Vol. IV, p. 848.)

It is easy enough to blame our moral theologians for not getting at the real facts of Finance ; but blame is not much use, and there are always excuses. The priests who have practical acquaintance with money-matters are not usually the same as those who write the moral theology text-books. The latter live in colleges, and have little to remind them of the possibilities of the cheque-system ; and their teaching-tradition gives a larger place to the assembling of opinions expressed by their predecessors than to the latest worldly ways of getting rich. Moreover, in the past we have depended a good deal on writers in the Latin countries, where there is (as present events show) a temperamental difficulty in imagining that money can be other than metallic.

At any rate, the situation now is that modern Usury in the post-War years has reached fantastic heights of successful injustice ; at the same time its operations are no longer a secret, having been uncovered in the evidence given before Parliamen-

tary Committees and published in Government Reports, not to mention many books by authoritative writers. Any English citizen (and I suppose any American citizen too) with a clear head and a little serious reading may understand for himself how interest-bearing credits are created out of nothing, how all money begins its existence as a debt, how the moneylenders by means of national and municipal debts have the whole community in pawn to them for ever, how the alternate expansion and contraction of credit is the cause of booms and depressions, of high prices and low prices, and thus enables the Usurer to bankrupt his clients and possess himself of their goods which he holds as securities ; how, in short, the usurer has learned to make full use of modern progress

" and commit
The oldest sins the newest kind of ways."

The moral-theologians too, like all the rest of us, are making acquaintance with the newly discovered facts. There is nothing about all this in their books, and there is nothing about it (for reasons which it would need some research to set forth) in the encyclicals of Pope Leo XIII. But Pius XI, without waiting for the theologians, broke the ice in 1931 with a crash so resounding, that it was a year or two before any Catholics realized what had happened. Fr. Coughlin (as far as I can make out, for I have never come across any of his actual words) is simply performing a useful public service by keeping the ice from freezing over again.

It seems to me possible that the reason which the theologians have appealed to as justifying a standard interest on loans, and which certainly has been a genuine reason since the close of the Middle Ages, is rapidly ceasing to have any correspondence with the realities of modern life. "*Lucrum cessans*" it was called, and it meant that a man could always find plenty of profitable opportunities of investments waiting for his money, and consequently if he lent it instead of investing it, he could reasonably demand interest by way of compensation. Yes, but is it true any longer that profitable opportunities of investment are waiting all round? On the contrary, bank-money lies idle on deposit, interest-rates fall, loan-conversions are the order of the day, and it looks as if these tendencies are due to profound world-causes, that will continue to operate. In that case the ethical problem of loan-interest will lose its reality, in the same way as the question of private property in the means of production loses much of its reality in an age of planning. The bad laws that have been enacted by Governments at the dictation of the Usurer—such as the company laws relating to limited liability—will then be changed without much difficulty.

But the real secret of the Usurer's power is not Interest on debt, but Debt itself. The Pope put his finger on the central point when he refers to the financial domination of those "who control credit and determine its allotment." They control that which is the economic life-blood of the community. The Usurer will always be in power so long as the

issue of money and credit remains in private hands, instead of being in the hands of the supreme authority to be used, as I think President Roosevelt said once, "for the welfare of all the people."

March, 1935.

VI

MONEY FREE FROM USURY

SOME people seem to be a little alarmed by the phrase " consumer-credit," as if it involved some vast and dangerous experiment along untried paths.

Don't be frightened at a word. " Consumer-credit " simply means " credit which is not producer-credit."

Producer-credit consists of bank-overdrafts allowed to industry for production, or to governments and municipalities to carry on their work. Loans bearing interest, loans issued upon securities which will become the property of the lender if the loan is not repaid. That is producer-credit as it exists to-day. There is nothing specially Catholic or traditional about it. On the contrary, it is precisely what was always called sinful Usury in the old days ; it is a modern kind of " money " which bears upon it the guilt and stain of debt from the first moment of its existence. Of course, producer-credit could be and ought to be to some extent socialised, and issued free of interest ; but even so it would still provide incomes only for those at work, not for the ever-increasing army of the unemployed and their

dependents, and the aged and incapable. These would still have to be supported grudgingly out of taxation levied on the workers.

Hence the idea of introducing credits into industry from the consumption end of the process also. We affirm the possibility of "consumer-credit," which would be nothing but ordinary sane means-of-exchange money, based upon the community's credit or power of production and put into circulation by the Ruler. As its name indicates, it would be issued direct to consumers as such, and would give them a means of setting the producers as such to work. It might be issued to all consumers (national dividend) or only to some (old-age pensions, children's allowances, etc.).

Another suggested form of consumer-credit is the Compensated Price *à la* Douglas; here the consumer reaps the benefit but the actual money is paid to the retail trader.

But the point about consumer-credit is that it would be the interest-free credit of the nation itself; *not* borrowed money and *not* money raised by direct or indirect taxation of the citizens' incomes.

Theoretically, of course, there is nothing to prevent banks issuing producer-credit free of interest, and similarly there is nothing to prevent them issuing even consumer-credit if they wanted to. From their point of view it would be a sort of loan treated from the outset as a bad debt. Possibly they do this sometimes for their own purposes. The large donations which paid and equipped the Nazis, in the days when they were a private army, came from

financial magnates who conceivably " created " them out of nothing ; if so it could fairly be called consumer-credit. The salaries of bank-officials, if they took the form of overdrafts which had not to be repaid, would also be consumer-credit, I suppose. The big donations that the City houses give to a Mansion House Fund for an Indian famine or what not—I have often wondered if these are credit-creation ; if so they would be creations of consumer-credit.

The usual economic argument against consumer-credit-issue is that it would produce " inflation " of some kind. Douglas schemes, as often expounded, do rather lie open to this charge. But there is no reason why consumer-credits, having done their work, should not be " cancelled " at as rapid a rate as they are issued, just as producer-credits are now. A corresponding tax on traders' turnover would be the simplest way, I suppose.

The moral objections to consumer-credit are also frequent. " You are going to give people money without working—but that will demoralise them." That might be an argument against a universal national dividend, but not against consumer-credit in itself, which could of course be confined to the aged and other non-workers if so desired. Personally, I would be in favour of a universal dividend, and also of a universal calling up of the young for several years' service in heavy industry or mines or other civic duties that might otherwise be neglected. In that sense we might usefully quote St. Paul's dictum : " he that will not work, let him not eat."

But to say, as some Catholics do in effect, that nobody (except the rich) must have enough money except while they are actually working is plainly absurd. In all ages, men who have been lucky enough, or clever enough, or cunning enough, to get hold of money have been able to live without work. The Church has always acquiesced in this. Pius XI in *Quadragesimo Anno* explicitly denies that work is the sole title to subsistence.

And now for the first time in history there is a possibility of all men being in great measure set free from compulsory toil. Big Business and Fascism hate the idea of ordinary men being free: they want to thrust the mass of men back into drudgery and poverty, in order to keep the favoured few in *power*. They invite the Church to join in this plan, but it is inconceivable that the invitation should be accepted.

At any rate, the issue is rapidly becoming clear: shall we set up employment, or work, as an aim in itself? Or shall we accept the new abundance thankfully and distribute it by means of consumer-credit? Either Consumer-credit or the Servile State—that is the choice before us.

At the same time let me insist once more that this work-question has nothing essentially to do with consumer-credit. The world is dying of Usury. Consumer-credit would simply be money set free from Usury and made available where needed.

April, 1935.

VII

THE FUTURE OF CHRISTIAN CHARITY

LAST Sunday* we read out to the people, as the Church directs, the first letter of the beloved disciple St. John, where he says: "He that hath the substance of this world, and shall see his brother in need, and shut up his bowels from him, how doth the charity of God abide in him?" And I could not help the reflection that the words express something which was a tremendous motive-force with the early Christians and has dwindled almost to a conventional pious exercise with us Catholics of to-day.

Christian charity began as a passion for justice, an insistence upon a fair deal at any rate as regards the necessities of life. Not so much on general social grounds, but as a personal issue for each Christian with his "neighbour." It was the spirit that flames in Our Lord's parables—"I was hungry and you gave me to eat"—Dives and Lazarus—the Good Samaritan, and so on. The Christian simply could not rest content living in comfort—felt ashamed of it—while others were suffering want. Hence that immensely significant gesture of the voluntary

* In the octave of Corpus Christi.

community of goods in the Church at Jerusalem. As a practical plan it failed, but it set the keynote for all future ages. To-day we must look back to its inspiration as much as ever before.

"Seek ye first the Kingdom of God and all these things shall be added unto you." There never was any need for distressful poverty, if only men had recognised their true relationship to each other as children of one Father in Heaven. Never until the last few centuries did Christians *acquiesce* in the existence of poverty.

As soon as the Church became a dominant energy in society, Christian Charity took on the aspect of a permanent movement in favour of social justice. Everybody understood that the fruits of the earth were meant by God for the benefit of all, and everybody understood that they were badly distributed by the ordinary human arrangements (because of original sin, said the Fathers of the Church). So Charity became the Church's standing attempt to re-establish justice by voluntary methods. Almsgiving, church-building, hospital-endowing, education, bridge-building—all kinds of "public works," as we say,—were carried out as charities or penances by those who had plenty of money, because the Church gave them clearly to understand they would lose their souls if they didn't.

Something happened in the sixteenth century, as we all know; and when the dust of that earthquake had cleared away there was not much left of Charity in the old grand sense. Some of the Saints still had a keen sense of injustice about life's in-

equalities, and big ideas of what Charity could do to right them. But somehow there seemed to be more and more things to invest money in, and less and less money to give away to the poor, and more and more poor to give it to, for the financiers were inventing their game of credit-creation. Charity on a large scale went out of fashion, except when some rich man fancied that way of gratifying his sense of power.

Indeed, with all the changes of modern times it is impossible for private charity to cope with the needs of the poor. Already during the Reformation, the Spanish theologian Vives had seen that the care of the poor must be a responsibility of the civic authorities, because only they can command the necessary resources. But the civic authorities have always been hampered because they never have enough money, having unwisely let the money-control slip into the hands of the usurers. Consequently, poor-relief by the State has always been grudging and mean, as we see in the case of the English Poor Law.

If there ever was any financial justification for this Bumble-attitude to the poor, there is none now. Everybody knows that God has provided plenty for all, plenty of whatever is necessary for human life. The old Catholic teaching demands that everybody have their fair share, and the only practicable way of doing this nowadays is (in the language of economists) to issue credits directly for consumption.

In St. Vincent de Paul, and his nineteenth-century disciple Ozanam, we can study the Catholic

idea in transition between the mediæval and modern cultures. St. Vincent financed his multitudinous enterprises by begging from the King and from the rich and powerful ; in short by persuading the civil authorities to do their duty to the poor, and that should be the main business of the Church in modern times as far as financial charity is concerned.

But there is something far more important than money, and that is personal service and devotion to our neighbour who needs our help. St. Vincent provided for it by his Sisters and Ladies of Charity, Ozanam insisted on it above all things in the spirit of the S. V. P. That is the real Christian and Catholic Charity that will never be out of date, that will be needed just as much when everybody has enough money as it is needed now ; perhaps indeed it will be needed far more.

July, 1934.

VIII

THE GOVERNMENT AND THE DEPRESSED AREAS

THE Government seems to have made a good choice, as far as the ordinary observer may judge, in appointing the Commissioner whose duty it will be to make our Depressed Areas glad and the Derelict Slag-heaps flourish like the lily. Everybody will wish him well, but nobody will envy him his task. Those are miracles which cannot be done without rivers of money ; it is a problem that cannot possibly be brought within the four corners of orthodox moneylenders' finance ; but there was no hint of any such realisation on the part of the Government in the Commons debate on November 14.

Broadly speaking, the Government discloses four ideas for rescuing the unemployed of the depressed areas.

These are :—

1. Transference of the unemployed elsewhere. This is evidently regarded by the Government as the first and most promising thing to do. Employers in the South are to be " appealed to," and so forth.

2. New industries for the depressed areas, financed from borrowed money, not by the Com-

missioners, who will not be allowed to finance private enterprise. The only light on this point is a mysterious statement by the Minister of Labour: "Arrangements have been made to advance money on reasonable terms through local boards to new industries."

3. The Land comes next—a bad third. To quote Mr. Chamberlain: "The best hope of finding occupations and assistance for those people who cannot be employed in old or new industries, and are not susceptible of transfer elsewhere, lies in the land." The Commissioners will have power to acquire land compulsorily and to sell it (or even transfer it gratis apparently) to local authorities and other public bodies.

4. Finally, public works of various unremunerative but desirable kinds: forestry, reclamation of waste areas, new roads, etc.

Of the above proposals, numbers 1, 3 and 4 (but not number 2) are to be aided financially by the Commissioners, chiefly no doubt by grants-in-aid. They are to have two million pounds to spend between now and March 31st next, and Mr. Neville Chamberlain expects them to have some left out of this to be carried on into the next financial year.

Two million pounds, I imagine, might just about pay the railway-fares of all the families that would need to be "transferred," supposing there was anywhere to transfer them to!

From the money-reformer's standpoint, what comments are to be made on each of these four ideas

for dealing with the " depressed areas," which (let us remember if we can) is only a shorthand phrase for a tragic population of millions of men and women and children who are our own brothers and sisters just as much as God is our Father ?

1. As for transference, in so far as it is a real remedy, it is always going on and only needs facilitating. As a large-scale policy, the transferred unemployed would obviously throw many out of work in the areas they were transferred to. The only gain would be to have spread unemployment more equally over the country. That is the sort of " remedy " you are driven to if you insist on " employment " as the aim and end of existence.

2. As for new industries, one can only wait and see what the Government can arrange in the way of credits for production. The banks have been refusing to create credit for small new enterprises (as the four Commissioners' reports indicated) because these could offer no " security " in the depressed areas. Even when he is risking nothing, the credit-creator exacts full security—in England, though not with his loans abroad. Will the proposed local boards issue credits for production without security of the orthodox kind ? If so, we are indeed getting on.

3. As for getting the unemployed back on the land (those that really desire to go) that is very right and urgent and ought to have been done years ago. But it will mean pouring out money like water with no hope of a direct monetary

return. It cannot be done by borrowing money from bankers, whether by one farmer or by ten thousand. What farmers need at the start is producer-credit free of interest, and consumer-credit as well to give them a fair share of the townsman's products and amenities.

4. As for useful but non-profitable public works, certainly we are all in favour of these being carried out. But it is highly necessary to ask, are they to be done by slave-labour—by a special class of " able-bodied unemployed " compelled to work for their dole ? Are we to do such things simply to make work for people, as Pharaoh made work for the Israelites in Egypt ? If so, our motive is all wrong, and there will be no blessing on the enterprise.

For that, in the end, is the fundamental criticism that must be made upon the Government's proposals for the depressed areas—and on all the other proposals of all the other Governments, Roosevelt included, for dealing with unemployment.

The true lesson of the depressed areas is not that employment must be provided at all costs, but that we must get rid of the idea that employment—paid occupation—work for a living—is the be-all and end-all of life. Work is a fine thing. I've nothing to say against it. Everybody ought to work. But Work is for Life, not Life for Work.

Faced with the depressed areas, a really live Government would say : See what Usury on the grand scale has brought us to ! With plenty all around, half the nation lives in poverty and despair.

We will stop our borrowing, we will throw off the burden of existing loans as quickly as possible, and we will begin to use the National Credit for the nation. Everybody shall have their share. If the phrase "National Dividend" frightens the timid, let us use other names for it. Old-age-pensions at fifty-five for men, at forty-five for women. Generous allowances for children up to eighteen, for widows, for the blind and lame and disabled of every kind. A "living wage" to all men and women of working age, whether there is work for them or not. Only along such lines can England climb out of the Great Depression for ever.

Ah, yes—"But where would the money come from?" It is a question that can only be excused by ignorance at this time of day, but people will go on asking it and we must go on patiently answering it. The answer is that money and credit would be issued and cancelled and re-issued just as it is now issued and cancelled and re-issued. The only difference would be that the money-supply would be "pumped into industry" at the consumption end as well as the production end. And the money itself—not only the legal tender but the cheque-money too—would be money of the nation's own issuing, not the private money created by usurers for their own profit.

In so simple a way as that can the Pope's demand be fulfilled that "each one must receive his due share, and the distribution of created goods must be brought into conformity with the demands of the common good or social justice." (*Quadragesimo Anno.*)

January, 1935.

IX

MONEY FOR LAND SETTLEMENT

THOSE who believe—as the present writer does—that this country has to get back to using its own land and feeding itself as far as possible, must have welcomed with relief the headlines which recently announced that the Government was at last going to give financial assistance to the settling of suitable Englishmen on English land.

But they must have rubbed their eyes in utter amazement when they saw the miserable trifle of money which the Government named for this all-important object. £50,000! Over three years, I think, and on condition an equal amount is forthcoming from private sources—I forget the details, but the £50,000 fixed itself in my head. The price of half an hour's shooting practice for the big guns, I suppose, or one-four-hundredth part of the cost of our proposed new air-squadrons.

Twenty million pounds, they say, our Government is finding in subsidies to farmers one way or another —beef, milk, wheat, pigs, and what not. For settling new men on the deserted fields to work for themselves instead of drawing a dole—fifty thousand pounds.

If it had been fifty million pounds, instead of fifty thousand, it might have been a promising start.

I suppose Mussolini must have spent all that and more on turning his thousands of ex-servicemen into new agricultural communities. True, his budget shows a huge deficit, but he has something to show for it—thousands of new farms, brand new farm-houses, brand new market-towns, the Pontine marshes drained and restored to production.

Fifty thousand pounds!

No wonder that the Catholic Land Movement is getting anxious about the Government's intentions.

"Just as there are those who are hammering at Cabinet Ministers to revive industrialism, so ought we to hammer at the same politicians to save our country by furthering a great land movement." That is by finding the money for it. So says the brave little paper of the Catholic Land Associations.

Just so, but there is one big obstacle to that, so big and so inescapable that I will write it down in capital letters. Under the present money-system EVERY PENNY GRANTED BY THE GOVERNMENT TO LAND-SETTLERS WOULD HAVE TO COME OUT OF THE POCKETS OF THEIR FELLOW-CITIZENS. All Government money is raised by taxation, or is borrowed from money-lenders to be repaid by future taxations. The Budget must be balanced. More for the countryman means less for the townsman, and the townsman knows only too well that he has no money to spare.

In other words, those of us who belong to the Catholic Land Movement must face up to financial reality. We must see that there is no hope for a land-movement which is content to be financially

parasitic, as it were, upon the Industrial system. Land-settlement can never "pay" in the usual sense. It has need of credits of its own, not debts, and not money raised out of taxation; but consumer-credits that will enable the subsistence-farmer to live even during the bad years and to pay for his stock and tools. Perhaps you would rather call it producer-credit, but the fact remains that in subsistence-farming producer and consumer are one. You must finance consumption to stimulate production.

Roosevelt's loans to subsistence-farmers are of this character, but unfortunately he has borrowed the money from the banks.

Nevertheless it is Roosevelt who has said the word that above all is needed, and I will put that too in capital letters: "THE ISSUANCE AND CONTROL OF THE MEDIUM OF EXCHANGE WHICH WE CALL MONEY IS THE HIGH PREROGATIVE OF THE GOVERNMENT." The money-system is the key to everything, and at present the key is not available for use.

Here are two or three recent facts taken almost at random.

A letter in *The Times* describes the plight of the small-holders of Cambridgeshire. They work all the hours of daylight, never have a holiday, never go to a football match or cinema, have no Sunday clothes; but the County Council is £20,000 down in rent-arrears and is discussing how to distrain.

The Minister of Agriculture, Mr. Walter Elliot, said on June 11th: "There is far too much farming

being done by the bankers in London and other large cities. Farms cannot be carried on successfully on overdrafts. Many men are being driven off the land by financiers."

The same Minister on June 16th, in reply to a question about reducing interest charged on loans under the Agricultural Credits Act, pointed out that "the money was raised at a time when interest-rates were high and the bargain was made for a long period."

What it all means is that everybody who wants to get anything done at all must come in at this critical moment and join the push for Monetary Reform. The simplest popular expression for it is National Dividend, so don't let's get scared of that quite harmless phrase—it won't bite anybody—it means something that is quite Catholic and common-sense and mere ordinary justice for the age in which we happen to live. And if anybody is going to need (and deserve) a national dividend more than anybody else, I am sure it will be the small-holding family-subsistence-farmer in this particular fair island set in the silver sea.

To which silver sea, dear reader, I hope you are bound this week or soon; but if you can't afford it this year, don't blame anybody except yourself and the money-system which you are too lazy to change.

August, 1934.

X

FINANCE AND THE SCHOOLS

"THE one thing that should unite us all is religion, but it is the one thing that divides us all in two minutes."

This unpremeditated outburst of Lady Astor's in the House of Commons (on St. George's Day, suitably enough) must have struck an answering chord in the hearts of any Catholics who read it.

She was urging upon the Government, as the teachers also urged in Easter week, that it would be better to keep children under school discipline another year than to send them out at fourteen to join the unemployed (there are about 200,000 unemployed under eighteen at present) or to do their fathers out of a job.

Somebody reminded her that a Bill to that effect had been introduced, but its chances of becoming law were wrecked by the passing of an amendment to include financial help for Catholic schools. Hence her winged words, which exactly express the fed-up feeling that comes over the average Englishman when he is asked to consider ecclesiastical differences. Anybody who professes interest in the Catholic-school question should meditate long and deeply on Lady Astor's *cri de cœur*.

The cold-drawn truth about Catholic Schools is that nobody wants them in this country except ourselves. Everybody is prepared to tolerate Catholic schools, nobody is prepared to build them with public money. As for appointment of teachers and so forth—I don't believe such concessions would make any appreciable difference ; nor would it make any difference to enable local authorities to help us if they liked. They wouldn't do it. They might possibly give us a grant towards repairing our already condemned schools if it saved them money to do so. That is all we could hope for.

There is only one chance for the ultimate survival of a full Catholic school-system, and that is Social Credit. As long as education is financed out of taxes and rates, the English mind is quite firmly made up that Catholics will have to provide their own schools if they want them. And the sooner we understand that, the sooner we shall get down to bedrock realities.

As Father Gosling says in *The Sower*, all our school-aspirations are blocked by the magic word "Economy." It is an economic question, not a religious question.

Under a régime of Social Credit, the future of Catholic schools might be assured in two ways.

First, because there would be an end of the Economy madness. There would be plenty of credits for such things as building houses or building schools. The Government would probably be only too anxious to build schools for any cultural organisation that would produce good teachers to staff them.

Secondly, even if religious prejudice prevented credits being issued directly for Catholic school-building, still all Catholic citizens would have their full share of the general consumer-credit issues, or national dividend, and would be able to subscribe to their own school-building funds just as they do now, but far more liberally. Cardinal Bourne's dream of education-warrants for every child, would come true in practice.

In this matter England has come to its moment of crisis and choice. Every Catholic who cares for Catholic Schools, every Catholic who feels any interest in the fate of the unemployed, every Catholic who believes in the protection and encouragement of the Family, every Catholic who believes in small-ownership on the land; every Catholic who takes any notice of the Pope; every Catholic who believes there is such a thing as social justice at all, should rise to the occasion, and put every ounce of effort into the urgent task of restoring to this nation the power over its own money.

June, 1934.

XI

BEAUTY VERSUS GREED

NO doubt some who read this have been spending their holidays in the Lake district. (I must go there again before I get too old, if only to finish a walk to Scafell which never got further than Scafell Pike, because of the absurdly early hour of the last Borrowdale 'bus back to Keswick.)

While there, no doubt, you duly looked down from Great Gable or thereabouts on the lake called Buttermere, or maybe according to inclination looked up from Buttermere Valley at Great Gable and its companions.

Very well, then; now read this, from the newspapers of a few days ago:

> "The National Trust announces that the time for the completion of the appeal for the preservation of Buttermere Valley has been extended to September 30. A sum of £2,000 remains to be collected, and contributions should be sent to the Secretary of the Trust at 7, Buckingham Palace Gardens, S.W.1."

Since then the £2,000 has been collected.

Let it be first explained that the rather violent

things I am going to say have nothing to do with the special circumstances of Buttermere. Of this particular case I know nothing whatever. Whatever I say is concerned with a general principle which is suggested by all such appeals.

About every month or so they happen. One reads suddenly in the papers that such and such a noble hill-top, or such and such a beautiful bit of woodland, is to be sold in lots within a month or so and changed into streets of houses or hotels for golfers or what not, unless a sufficient number of public-spirited people will come forward and promise the money that will save that beauty from desecration and preserve it for the common enjoyment.

It is a kind of blackmail on beauty-lovers, on about the same moral level as the operations of Chinese bandits or American kidnappers.

It must be added that public authorities are not necessarily any more trustworthy than private owners. I know a high place in the Midlands, where beacon-signals must have flared sometimes ever since men have lived in those parts ; and just at the one point where you used to look out over towards Malvern and the Cotswolds, they have completely blocked the view with half a dozen little Council houses, the topmost stragglers of a new " Estate."

But at least public authorities do not threaten such crimes in order to hold the lovers of beauty to ransom.

A man may happen to be the legal free-holder of some mountain or such-like which God has put there for our admiration ; but the fact that he owns it does

not mean he is entitled to spoil it or to sell it to others to be spoiled. He may be the owner of it ; but it is there for the use and enjoyment of all.

That is the real old permanent Catholic theology, and it applies in its measure to every other kind of property as well as mountains. I'm afraid not many of my readers may have heard of it, but if it had been properly preached during the last century or two, there would have been no such thing as Socialism or Communism, nor any occasion for them. In the real Catholic teaching there is no such thing as "private property," as understood in Protestant English law.

What Catholic teaching does affirm is the individual right to own land and other material things, but along with that right, it always asserts the right of the community to share in the use and enjoyment of them. It asserts also an over-ruling ownership of the King or the State, which may be brought into play whenever it is urgently necessary for the public safety or welfare. The same assertion of course is made by Blackstone, who for that reason denies any absolute private property in land.

However, the point I wanted to suggest in regard to the Buttermere incident concerns rather the financial aspect of it. Granted that it may often be right and fair to pay some compensation or price to owners in order to secure for the common enjoyment the beauties of nature or art, the usual question at once arises, "Where is the money to come from ?"

Under the present system, it is not likely to be provided by the public representatives of the com-

munity, for they have no money except what they can borrow from the bankers, and squeeze out of the grumbling taxpayer. With such a system they find it hard enough to raise money for things deemed absolutely necessary, such as battleships and unemployment pay, and they are very unlikely to go out of their way to pay for unnecessary and unremunerative luxuries like the preservation of mere beauty.

But if the issuing of money and credit were in the hands of the public authority, as it ought to be, then cases like the Buttermere compensation could easily be dealt with. The price would be paid by a new issue of the National credit ; for practical purposes it would be regarded as a Government investment, and the Government could recoup itself at leisure by a tax on the tourist traffic.

" So the taxpayer would have to pay in the end ! " you exclaim. " Wouldn't that after all come to the same thing as the present system ? "

No, it would not. Partly because it would not be the taxpayer as such who would pay, but the taxpayer as tourist, or perhaps even as tourist in the Lake district ; there would be no special hardship about that. But still more because on such an issue of Government credit there would be no interest—no moneylender's pound of flesh, and no special hurry about repayment.

" But the interest doesn't make so much difference as all that," you will say.

Doesn't it ? In 1920 the British National Debt was £7,800 million. Ten years later in 1930 it was

£7,400 million—hardly any reduction. Yet during those ten years we had paid no less than £4,000 million on account—more than half the amount of the debt, and yet the debt was practically as big as ever. Everything we can scrape together goes in paying the interest. It is the same with the detailed loans for various objects, municipal as well as national.

That is the almost incredible system of Usury Unlimited, under which we are living. It will be ended at a stroke by any Government which is determined to secure the welfare of the nation. There is not the slightest necessity for it. It is completely Evil.

The amenities of Buttermere and the view from Great Gable may be matters of minor importance—personally I don't think so—but in other matters the same question of " where the money is to come from " has an immediate bearing on the happiness or even endurableness of life as lived by millions of our fellow-men and women, including possibly yourself, dear reader, and in any case (unless you move in very select circles indeed) a number of your personal friends and acquaintances.

October, 1934.

XII

TO ABOLISH POVERTY?

LAST week I joined a "League to Abolish Poverty," and it is a fair question to ask what St. Francis would think of a League with such a title as that. I mean of course the Assisian, whom (with complete unsuitability indeed) I have always looked to as my patron Saint.

League to Abolish Poverty! Certainly it would have a startling sound to St. Francis, wouldn't it? Well, I think I can guess what he would say, for he was no legalist, no slave of mere words. Indeed, with all his dramatic methods, he always strikes me as considerably more of a practical realist than some of his admirers perceive.

Everything must have an economic foundation of some sort. The economic foundation of Our Lord's Church in its pre-Ascension stage was the group of holy women who ministered to Him and His apostles. The economic foundation of the first Franciscans was a temporary and local "age of plenty" in Umbria—plenty of food to be had for the asking, and a climate that took the urgency out of problems of clothing and shelter.

St. Francis never dreamed of seeking to endure the

kind of hardships and anxieties that a young single unemployed man has to endure when " thrown off the Labour " in these days of the Means Test. For St. Francis, Poverty meant mainly Freedom; freedom from the domination of his father, of the world, of the ties of possession (which reminds us that the Distributists look to personal possessions as the only sure safeguard of Freedom. But that would start another discussion altogether !).

Still, after all, didn't Our Lord start the Beatitudes with " Blessed are the poor " ? And isn't Poverty the name of one of the Three Evangelical Counsels which so many Catholics observe, some with vows, and some without vows, as the highest way of life ?

Well, of course, it's just a matter of the different meanings a word may have. The " Poverty " that our League proposes to abolish (by Christmas or thereabouts, if people will only be sensible and listen to us !) is the grinding poverty, the destitution, the lack of absolute necessities of life, which afflicts millions of our fellow-countrymen quite needlessly and on which see Matthew xxv, 31-46.

As for Poverty in the technical Catholic sense of the word—the life of the Holy Family at Nazareth, or the economic security with freedom from personal money-worries attained by monks and nuns, or the " frugal comfort " recommended as a social ideal by Pope Leo XIII—let me assure you that our League does not propose to abolish any such Poverty as this, but on the contrary to promote it and spread it everywhere to the best of our power.

For instance, if some people were to say that

St. Francis, or his Master either, would have some mystical objection to the complete abolition of slums, I should be very happy to call such people blasphemous liars, or words to that effect.

Perhaps some may consider that a League for the abolition of slums is unnecessary, since the Government some time back announced its intention of ending the slums in five years' time. In that case please let me call their attention to the latest version of this promise, as amended by the Chancellor of the Exchequer on July 1st. "I hope," he said, "that in five years slums will be hard to find."

In other words, there isn't going to be enough money to do the thing properly. 115 million pounds is to be borrowed for slum clearance, but (according to one housing expert) "the whole thing is being run almost on comic-opera lines. . . . It seems almost incredible that the £115,000,000 is to be raised in scores of nibbles, each little Authority being allowed to have its own little loan."

Almost incredible it may be, but the reason for it is only too obvious. A great national loan, centrally administered, would save one per cent. or more in interest, and consequently it would not be so useful to the moneylenders.

No, the credit of the whole Nation must not be used for slum clearance, even in the form of borrowing money from the moneylenders; much less of course in the form of new money, issued with the King's image and superscription.

What *is* the National credit being used for, then?

Well, here's one hint from *The Times*. "*During* 1933 *the Bank of England printed and issued another* £71,000,000 *of paper pounds to buy gold.*" We are told this in the annual Report of the London Chamber of Commerce. "It is not clear," the Report argues, "what advantage the country is supposed to derive from the acquisition of this useless luxury metal to be put in a vault, and *the additional paper pounds could have been issued more advantageously in buying for the nation habitable houses*, an activity which would have given an immense impetus to trade."

August, 1934.

BIBLIOTHECA SOC. JESU KANDY

XIII

SOCIALISTS AND CREDIT REFORM

IT is many months ago since I took a solemn literary vow to renounce the use of all words ending in "-ism." No, it was nothing to do with Lent. I have given them up for ever, and feel much better for it already.

With a self-righteousness natural in the circumstances I should like respectfully to recommend the same resolution to all other Catholic writers; an article I read the other day in a Catholic quarterly consisted almost entirely of words ending in "-ism."

As in all good resolutions, there are occasional difficulties; for example it isn't easy to discover a good substitute for the word "puritanism."

As for the word "Capitalism," I suggest you can all do without it just as well as I can. It is just a swear-word, as Mr. Kenneth Richmond says. And worse than that, it is an ambiguity, like all these other ism-words.

When an orator or a journalist begins to talk about the "capitalist class," I'm afraid we must admit, with whatever excuses we can find, that the thing stirring in his heart is the class-war, the revenge-motive of the poor against their oppressors, the

desire to punish, the envy of the haves on the part of the have-nots.

There may have been a distinct sort of " capitalist class " once, but there is none now. There are (as the Pope says) a very few finance-capitalists, the usurers who control money and credit ; they wield all power, and none dare breathe against their will. But the people who support them and keep them in power belong to all classes, and not least to that ever-dwindling class of the community which Socialists call " the workers " ; I say dwindling because the machines do more and more of the work, and also because every " worker " hastens to become a " capitalist " in a small way if he possibly can.

Communists and Socialists and even the ordinary Labour Party people are mostly rather scornful of the efforts of mere money-reformers. They usually think they have ended the matter when they have spotted one or two obscurities and oversights in the particular set of proposals associated with Major Douglas.

The Douglas propagandists are on the right side and have firm hold of the root of the matter, but they often say very quaint things, e.g., that there is nothing wrong except a " slight technical flaw in the price-system," fortunately discovered by Major Douglas in 1919. That " slight technical flaw " of course involves the whole history of Usury and the worst passions of the human heart. But the Douglasites are fundamentally correct in pointing to Money as the strategic point, and not Ownership.

As for the general idea of Socialised Credit, some

Socialists are beginning to hear of it, but they refuse to give it any special importance. Social Credit, they say, is impossible and useless without socialised ownership-of-the-means-of-production-and-distribution (hyphens mine). That is what they all say, but never have I heard any of them give a *reason* for saying it. It is just a slogan; they go on saying it out of habit and accumulated momentum of repetitions.

Now all sensible people know that (as Pope Pius XI says) "*certain forms of property must be reserved to the State, since they carry with them a power too great to be left to private individuals without injury to the community at large.*" Some means of production, some means of distribution, must be nationalised, but the point is which?

In our modern world the *first* "means of production" *and* the first "means of distribution" is the *Money-supply*. It is the thing which most urgently needs to be nationalised; because it never ought to have been *un*-nationalised, as it has been so wrongfully in the course of the last century or two.

If we once had a just Money-system under the control of the Community, we should soon be able to find out which of the other things could best be nationalised or municipalised or corporate-guild-owned, and which things could best be left little and individual as to ownership.

I think myself that a great many problems would tend to settle themselves quite naturally if and when the National Credit were used in such a way

as to confer upon the ordinary consumer the power of "effective demand." But anyhow, little or nothing can be done, either by means of producer-credit or consumer-credit, until the insolent claim of the Usurers to monopolise credit itself has become a matter of past history.

April, 1935.

XIV

DISTRIBUTISTS AND CREDIT REFORM

FLEE to the Fields. A symposium by nine writers on the Catholic Land Movement, with preface by Hilaire Belloc. (Heath Cranton, 5s.)

Here is 5s. worth of inspiration and contagious enthusiasm, a book in which even the most hide-bound industrialist or politician will no doubt feel obliged to recognise a "point-of-view-that-needs-to-be-emphasized-to-day." Such a tribute would not satisfy the four priests and five laymen who have contributed the chapters. To them, their thesis appears as a matter of life and death. Hence the title, with its suggestion of some apocalyptic judgment about to fall upon our industrial civilisation; though if such things were indeed imminent, the peasants in the valleys and plains would be the first to suffer, and I fancy the soundest advice might still be to flee to the mountains!

All these nine writers, like the nine choirs of angels, say the same thing in their various ways. They describe the devastation wrought by the industrial revolution, and they point out that this country's dream of being the "workshop of the world" is

over for good. They look forward to an England of family-subsistence farms, with the corresponding craftsmen and tradesmen grouped together into self-supporting village communities which would be cemented by the bond of a common religion, and would themselves form a constellation around a moderately-sized market town.

Co-operation would be the rule in such things as marketing and the use of expensive implements, and I imagine the total human effect of such a village might not be very different from one of those jolly-sounding collective farms that Mrs. Cecil Chesterton visited in the Ukraine some time ago. I notice, by the way, that Mr. Belloc is careful not to join the other writers in their dispraise of the machine: "What has made industrial capitalism is not the machine," he says, "but the mind of man perverted by a false philosophy. . . . The force that has destroyed property amongst us is greed."

If that is true, then it seems likely that the worst achievements of greed must be undone before we can get "property" back. (I really insist on putting that word into inverted commas: it means something quite special on the lips of Distributists, and some day some adventurous Distributist will attempt a definition). These nine writers have their eyes fixed steadily on their far-off shining objective, and will succeed in communicating their aspirations to the reader; but Mr. Belloc, relentless old realist, insists on having a look at the terrain that has to be covered before the objective is reached, and he reports that it consists of legislation, and more

legislation, and still more legislation, all of the very unlikeliest kind in present circumstances.

To the average observer, Distributism as such still seems a discussion rather than a movement; when it begins to move, it will find there is nothing for it but to storm the Hindenburg Line of Private Money-Power, which is the first obstacle, and perhaps the only real obstacle, to the flood of new enactments that would be needed to establish social justice according to Distributist ideals.

None of the chapters in this book reveal any clear appreciation of the central importance of the money problem. Even Mr. K. L. Kenrick, whose outlook takes the widest sweep, is content to speak of the system of "financial accountancy" breaking down from over-strain (page 160) as if it were not quite nice to speak of Usury or Bankers or the Seventh Commandment.

The Birmingham Branch's scheme (printed as an appendix) depends entirely on the ability of the small-holder to find £36 per annum for debt charges alone; well, I don't know the first thing about farming, but somehow that sounds a lot of hard cash for a subsistence-farmer to find, on top of clothes and doctor's bills and tea and tobacco and all the rest of it.

As for the Catholic Land Movement itself, it may be congratulated on this book, and still more on the actual training-farms that have been started. We may hope they are the germ of great things for the Faith (as Mgr. Dey's notable chapter especially adumbrates), as well as for our countrymen. Out

of courageous action something will always come. Without the test of action, for instance, Dr. McQuillan could not have made the useful discovery which he records on page 88, and which I believe he is quite right in connecting with compulsory education, or (to be more precise) with the much-too-large classes in elementary schools. And there again, you see, we come in sight of the same old question—where is the Money to come from ?

August, 1934.

XV

FREEDOM UNDER SOCIAL CREDIT

MR. HILAIRE BELLOC'S lifelong battle for the true freedom of man has held my admiring loyalty for thirty years and always will; consequently I have no difficulty in understanding his hesitations about Monetary Reform and the National Dividend in the *New English Weekly* of Nov. 1st. Adherents of Major Douglas will not fail to note the generous completeness with which Mr. Belloc concedes their case on its economic side, without making even the minor reservations to which some of us feel compelled. I hope they will note also how he brushes aside all non-essentials and goes straight to the practical point—direct financing of consumption out of the National Credit.

There are Social Creditors who will claim that having conceded the economic ground, Mr. Belloc has conceded everything. Moral considerations, they would say, have no place in this matter. They must forgive me for saying that such a statement is rubbish of the most unthinking kind. Always and everywhere the common judgment of mankind (to take no higher criterion) sets the moral values above the material values; and if anyone could

really show that the National Dividend would be the death knell of freedom, then the authority of Social Credit would be gone, and not all the theorems of the mathematicians, nor the blue-prints of the engineers, would ever be able to establish it. Not by bread alone doth man live, but by every word that proceedeth from the mouth of God, and Mr. Belloc is quite right in saying that one of those words is Freedom.

In two ways, he thinks, Freedom may be endangered under a Social Credit régime : and for the life of me I cannot see that either of these fears is well-founded. One of them is concerned with the ownership of property, and the other with State control over human lives.

"A Society in which men think in terms of income," says Mr. Belloc, "is radically different from one in which men think in terms of ownership." This may very well be so, but there is nothing to prevent men thinking in terms of both income *and* ownership, as they always have done. Social Credit is not in any way inconsistent in principle with ownership. One of the main reasons why I believe in it is precisely because it not only provides a way of bringing about a more-diffused ownership which all Catholics (following the Papal encyclicals) desire, but also because it would help to *keep* it diffused. The great enemy of small ownership of every kind is the Usurer. I invite Mr. Belloc to consider Social Credit as being primarily the disestablishment of the Usurer, and then secondarily the re-establishment of justice in all the multitudinous ways

required to right the damage done by the Usurer's inordinate greed. Mr. Belloc, like myself and some other millions of English men and women, is neither an engineer nor an accountant, and we are under no obligation to use the disconcerting jargon and verbal diagrams with which some Social Credit advocates like to cloak the all-too-simple facts of the Money-system.

Ownership and property, then, ought to be quite safe in principle under Social Credit; their extent in practice would depend on whether people cared about them enough. But both those words badly need defining. Just as the Labour Party people talk glibly in unthinking clichés such as "Nationalisation-of-the-means-of-production," so some of the Distributists talk in a mystical way about the redistribution of property, with little in their mind beyond a vague picture of small farmhouses every few hundred yards, each occupied by a sturdy peasant refusing all social inter-dependence and determined to do exactly what he likes with his own. To my ignorance it seems that there is nothing specially Catholic about such an ideal; in Europe I should imagine it goes back no further than the French Revolution, just as in Russia it went back no further than Stolypin. Historically, the Catholic ideal in theory and fact was a much more co-operative affair, both in agriculture and the trades.

The great Catholic theologians defended the right of individual ownership in material things; they included land, subject to large reservations as to

the *altum dominium* of the ruler as representing the common good, and I fancy they would have made the same reservations about machinery if there had been any. But they never dreamed of admitting that a man could do as he liked with his own property, regardless of the common good. On the contrary, it was a fixed principle that although material things might be *owned* by individuals, the *use and enjoyment* of them was meant by God to be common to all.

All this has been forgotten, except by the Popes, who go on repeating that " the right of property must be distinguished from its use " : that " ownership, like other elements of social life, is not absolutely rigid," but subject to definition for the common welfare : and that the nineteenth century blundered in admitting " the individualist spirit in economic life," and the " limitless free competition " which favours the survival of those who pay least heed to conscience. Consequently, " the distribution of created goods must be brought into conformity with the demands of the common good or social justice." Likewise " it is rightly contended that certain forms of property must be reserved to the State, since they carry with them a power too great to be left to private individuals without injury to the community at large." All these are statements scattered up and down the encyclical *Quadragesimo Anno.*

Mr. Belloc would be the very man to give us a definition of Property in the full Distributist sense, and it should be a great help to the statesmen of the

future who will have to put the new economics into practice.

If we had a just money-system, making possible for the first time a " distribution of created goods in conformity with the demands of the common good," we should soon find out which of the " means-of-production " (absurd unrealistic phrase !) could best be left to individual ownership and which could best be kept for some kind of community-ownership.

" Ownership," says Mr. Belloc, " seems to me the necessary condition of human dignity, which is incompatible with less than a certain very large amount of freedom." I agree in general, but that word " ownership " is really meaningless until it goes into details. You can own a toothbrush, or a house, or a garden, or a family farm, or a coal-field, or a milk-round, or a railway-line, or a watch-repairing business, or a few shares in a brewery, or a controlling interest in the armament firms of two continents. Not all these forms of ownership are necessary for your human dignity or even compatible with human freedom—at least the freedom of your neighbours. Under Social Credit there would be a chance of sorting them out and finding which is which.

On the point of State control over the individual, Mr. Belloc admits that Social Credit is not inhuman like Socialism. " But still," he thinks, " the working of Socialised Credit depends upon public powers which would control the individual (or rather the family) in my judgment, unduly . . . The system under which a currency expanded through credit

If we properly developed English agriculture, and if English credit was used for developing the home market instead of getting foreigners into debt to London, a vast amount of our imports would become unnecessary.

Still, there would always remain a good deal that we should need to import. Could we always depend on being able to do so? Here very briefly are the considerations which indicate the affirmative.

1. Overseas countries (e.g., the wheat-producing lands) need to sell to us just as much as we need to buy from them. Trade Agreements are the way to regulate the process, and perhaps ultimately a Goods-Exchange Clearing House.

2. There are some things that will always be made better in England than elsewhere, and which other countries will always want to buy from us; and so long as a pound sterling will buy a pound's worth of goods in England, the foreigner will find our currency useful, just as we find the new German "registered marks" useful.

3. But trade is only one way by which we can get hold of the foreign currency needed to pay for our imports. Another possible way is a greatly-developed tourist industry—isn't England as well worth visiting as Switzerland? Other ways are the remittances sent home by emigrants, and also dividends received privately from foreign investments.

4. Evidently a good deal can be done by the mysterious ways of the Exchange Equalisation

Account; and by a compulsory clearing-house for foreign exchange transactions, as adopted by Mussolini.

5. But meanwhile the whole question seems to be solving itself by so many foreign countries joining the sterling group.

February, 1935.

XVII

AN UNJUST BUDGET

NOW that the last echoes of official trumpeting have died away, the 1934 Budget is seen for what it is; a heartless attempt to uphold and continue that which cries to Heaven for vengeance—the present appalling mal-distribution of wealth in England.

By savage economies during the last three years, the Government has wrung fifty million pounds from the unemployed and their wives and children. They were to have first consideration in the surplus—the whole nation expected it. They got a beggarly 3½ million out of a surplus of 29 million. The cuts are to be restored next July, not before; and restored only to those who escape the deadly net of the Family Means Test, which will continue business as usual.

Three and a half million pounds more, amongst 2½ million unemployed, spread over twelve months; very little mental arithmetic is needed to see how much purchasing power the Budget restores to those whose need is greatest.

Of the 29 million surplus, 20½ million goes to the income-tax payers, and most of that goes to those

who have incomes of £1,000 a year and more. They will just leave it in the bank, or invest it in Japanese cotton-mills or something. The smaller incomes get less relief in proportion, and the poorest income-tax payer with a large family gets least relief of all.*

Mr. Neville Chamberlain considered carefully this point of the poorer income-tax payers and their family and other allowances, and deliberately decided against them. He thought (according to the Secretary of the Treasury) "that more good and more justice would be done" by spreading the reduction over the whole class of income-tax payers. "Greater psychological impetus to revival of trade," and so on.

Good heavens! Was ever such an insult offered to the intelligence of the House of Commons? As if there would be no stimulus to trade from allowing to these struggling middle-class families a few million more pounds which they could most certainly spend at once!

We have to estimate people's intentions from their deliberate actions, and estimating in that way, there remains no possible doubt that the Bank of England and its obedient servant, the Treasury, are pinning their faith to "birth-control" as the chief remedy for the present difficulties of England.

Already there is talk in Parliament about the "surplus population." A survey made about two years ago gave definite figures of the surplus

* It is fair to add that some of these injustices have been put right in the 1935 Budget.

population in each of the depressed areas. "A very valuable report," says the Minister of Labour (April 18th). Surplus populatic[illegible]rplus in relation to *what?*

Within the limits of what he calls "sound finance" (yes, he actually used that phrase!) the Chancellor cannot hope to do any real justice, but he might have made a better shot at it. "Sound finance" means moneylenders first. "Sound finance" means paying 210 millions of interest on war loans and other debts before a single penny is found for the unemployed, or for housing, or for any other national necessity. And even that 210 millions is a considerable improvement on the yearly 400 millions of debt charges in the earlier post-war Budgets.

Here is something to think about; from 1920 to 1933 this country paid £8,300 million in debt charges—interest and repayment; and yet our debt is still £8,000 million, that is £500 million bigger than it was when we started to pay it off in 1920.

It is all a huge swindle; there is nothing wrong with this poor old country except that it has foolishly let go its power over its own money, and is now completely in the hands of the moneylenders.

May, 1934.

XVIII

OUR CRIME AGAINST THE UNEMPLOYED

THE collecting instinct dies hard. Forty years ago I used to collect foreign stamps, and twenty years ago it was foreign shell-noses and such like. Lately I find myself collecting Means-Test suicides.

They are not news, and the big national papers don't mention them, but if you look at the local papers (as I do wherever I go) as likely as not you will come across a few lines in some corner quoting the barest facts about some poor fellow-countryman of yours who has exhausted his reserve of courage in the struggle against social injustice.

No questions seem to have been asked in Parliament about the motives of the 7,000 or so who are taking their own lives every year, and no figures have been made public as far as I know. But it is a pretty safe guess that hundreds of these tragedies must be directly attributable to the working of the Means Test and the other Budget-balancing economies that the unemployed have had to endure since 1930.

Here is one from last week (with name changed and address omitted).

"At the inquest yesterday on John Brown,

aged 66, it was stated that he lived with his married son, and as he had been out of work for six years and received only six shillings a week relief, he felt he was ' sponging ' and was depressed about it. The cause of death was suffocation by hanging . . . The Coroner recorded a verdict of ' Suicide,' there being insufficient evidence to show the state of his mind."

That's all. But every week there must be dozens of similar little paragraphs appearing in local papers, all up and down the country. At the back of them, if we have the imagination to see it, is a vast mass of wasted humanity enduring a needless suffering and strain, both physical and mental.

And the guilt of all those suicides—on whose shoulders does it lie in the sight of God ? Most surely on the great usurers, and not only on them, but on all the rest of us also who, according to our position, have co-operated in their sin by sharing the profits of it, or by our silence, or by our defending of the wrong done.

John Brown in our newspaper paragraph (aged 66) was evidently one of those who, for one reason or another, have to wait until 70 for their old-age pension. He had managed to find work apparently until he was 60, but now he was dependent on his married son, with the Public Assistance helping to the extent of six shillings.

Well, perhaps you say, what's the matter with that ? Isn't it Catholic teaching that grown-up sons should support their old fathers ?

So it may be, but that has no practical bearing on conditions here and now in this country, where wages are certainly not calculated on any such supposition as that.

Well, anyhow, you may say, there was no need to hang himself—there isn't so much difference between six shillings relief and ten shillings old-age pension.

Ah, that's where you are wrong ! Even financially the four shillings is a good deal—it means half the rent perhaps, or all the heating and lighting.

But the moral and psychological difference between the relief and the pension—that is simply immeasurable. The one is given grudgingly and insufficiently, with every circumstance of suspicion and degradation ; the other is given still insufficiently indeed, but as an honourable right of citizenship that no one need be ashamed of.

In all parts of the country there are thousands of elderly men who, after a steady, hard-working life, have no more hope of employment, and are suffering agonies of mental depression because of their position and their privations. Why in God's name should we not make decent and generous provision for them ?

There is only one reason why we cannot, and it is the same as the reason why we cannot do lots of other things such as abolishing the slums, or replacing the condemned schools, or giving the children of the unemployed enough to eat.

The reason is that to do any of these we should have to raise the money by taxation, or by loans

to be repaid out of taxation ; and we all know that this simply cannot be done.

Is there not another way, namely, by issuing consumer-credit, which means that specially created money would be issued direct to the people who need it, in the form of old-age pensions, or children's allowances, or, if you like to do the thing properly, in the form of a National Dividend to all ?

Such money could be created and circulated and destroyed and re-issued in much the same way that money is created and circulated and destroyed and re-issued at present ; it would be lent to the whole community, so to speak, instead of to individual manufacturers only. There are any number of ways of destroying it when it has done its work—price-discounts, dated money, sales-tax, excess profits-tax, tax on idle bank-deposits, and so on and so forth. Those are details for the money-experts to worry over ; the point is that there is no excuse in this connection for using that bogey-word " inflation." There could be no " inflation " if goods corresponding to the money are there to be bought and if people are waiting for the money to buy them.

It all depends whether you really want social justice or not. If you do, money is the first thing to be attended to.

September, 1934.

XIX

SEVEN SWORDS

AWAY on holiday last month, going into a certain church, I went over to what was evidently the Lady Altar and lighted a candle to Our Lady; and it was only when I knelt down to say a Hail Mary that I looked up and saw that in that statue she was pierced with the seven swords. The sight was unexpected just then, and for one reason and another it gave me a start. The church belonged to those Servants of Mary who have special devotion to her sorrows: and on a Friday evening they sang *Stabat Mater* at Benediction instead of the Litany.

Afterwards, then, it occurred to me that perhaps in these days the seven swords ought to be a regular feature in every representation of Our Lady, as a reminder to us that the Second Eve makes the sorrows of all her daughters her own, and that in these days there are too many of those sorrows, through our most grievous fault.

An international pilgrimage of ex-Servicemen is going this week to pray for peace at Lourdes—a fine idea. I don't know if it was intentionally arranged to coincide so closely with the feast of

is distributed through largesse is a system which puts the individual family at the mercy of the King. He can give or refuse at will." On first thoughts I was going to object to the word "largesse," applied to a national dividend, as suggesting charity more than justice. According to the official Douglas view, the reason we have a right to the national dividend is because it represents the accumulated industry and invention of all our ancestors. In this statement there may be some arguable aspects. For the moment, anyhow, let me accept Mr. Belloc's word "largesse"; it is a fine, noble word, and I am sure he could make a fine, noble poem about it as he did about the word "Courtesy." It conveys the idea of giving, of generosity, of "bounty"—of that essentially self-diffusive *bonitas* which is God. The earth is the Lord's and the fulness thereof, and He has given it to us His family of children for all to share: *that* is the solid reason for the national dividend. It is of its essence that it is received from the community as a right, not merely as a favour or grudging dole; and just because all would have a right to it, the Government could not use the threat of deprivation as a weapon of tyranny.

At present, the deprivation of unemployment relief can be and is used as a weapon of tyranny, but the old-age pension cannot because it is given genuinely as a right. If we went only by theory, we should expect the old-age-pensioners to become the cringing, timid dependents of the State, but as we all know by observation, old-age pensions have exactly the opposite effect; they give to poor

old people a real taste of economic independence usually for the first time in their lives, and they also serve as a buttress and support to the unity and harmony of family life.

National dividends, like old-age pensions, would be a measure of social justice and a further security for individual freedom. Even if it should involve sharing the necessary toil round amongst the young men, well, why not ? Mr. Belloc is rightly proud of having served his two years as a conscript gunner in the French Army ; nor need a man be ashamed if his country demands from him two years, or five years maybe, on the land or in some industry. The alternative to national dividend is to make all poor folk work for their money whether their work is needed or not ; we shall have to go back to building pyramids or something ; the servile state in real earnest.

If there were any risk to freedom under Social Credit, I think it would be in the producer-credit arrangements rather than in the consumer-credit. Obviously, the power to issue or withhold credits for production is a vast one—the very power which the banks exercise now. But that power must be in somebody's hands, and planning of some sort is unavoidable under any régime in future. Consumer-credit ought to act as a healthy check on the arbitrary will of the planners ; it will give the consumers a chance to demand what they really want, instead of what the bureaucrats consider good for them.

We need not linger over Mr. Belloc's apparent wish to keep Gold, or at any rate precious metals,

as the basis of our currency. Presumably, he takes for granted that the Government would own the precious-metal supply; but even so, it is not credible that he can really mean Gold, for he must be aware that all the gold in the world could be assembled (so they say) into a forty-foot cube; anyhow there is nowhere near enough for the world's money-needs, and this scarcity is precisely what makes the opportunity of the Usurer, since there simply *has* to be a vast superstructure of paper and credit. As for silver, well, I know nothing about bimetallism, but it seems obvious that if any metal is or can become plentiful enough for money-needs it will no longer be very "precious," and you might as well have paper. The treasury-note issue after the War seems to have been a perfect legal-tender currency; it worked for the advantage of the public instead of the bankers, and therefore it was abolished. My own guess is that under a system of socialised credit money would soon become relatively unimportant, so that people would not be tempted to accumulate it, or forge it, or debase it. Money would buy commodities and to some extent personal services, but it would not be Power as it is now; at least I hope not, and I am sure Mr. Belloc would hope not too.

November, 1934.

XVI

ENGLAND'S IMPORTS UNDER SOCIAL CREDIT

WHEN the money-reformer urges that England can lead the way in undoing the wrongs of Usury, one objection frequently arises to the effect that England is too dependent on foreign countries for necessary food and raw materials; she cannot afford to run any risk of her currency becoming valueless in the eyes of foreigners; she must be able to count on getting imports. Consequently (they say) England must wait till other countries are willing to adopt Social Credit.

The first thing to say is that much of England's import trade would be unnecessary on any reasonable system. Much of our food imports could be dispensed with if we made England as self-supporting as it could be—and the experts agree that it could be done up to 70 per cent. of the food we need. As for raw materials, how much of these are imported merely to manufacture articles to be sold to foreigners merely to create an artificial international trade merely to enable the City of London to issue loans abroad instead of at home?

the Seven Dolours, but that too is very fitting. The ex-Servicemen will need but little imagination to see seven swords piercing the breast of the white statue in the Grotto. Invisible they may be, but in spiritual fact they are there true enough—seven weapons of steel but with handles of gold; votive offerings of the world's Seven Great Armament Firms!

A little far-fetched, you think? Well, it is only twenty years since ten million mothers felt those swords in their hearts.

Still, if you would rather think of something else, let us come to mothers of the present day, of our own country; the mothers of the county of Middlesex in fact.

The County Medical Officer of Health for Middlesex reports that in 1933 there was 936 fewer live births than the year before; it was the lowest recorded for any year, not excepting the War years. At the same time he says, the maternity death-rate of mothers rose from 3.85 to 4.77.

> The number of babies born was the lowest ever recorded in the county: yet the number of mothers who died was the highest ever recorded.

Why do all these mothers die? Well, doctors are cautious men, and this Medical Officer is careful not to dogmatise. But one of the things he mentions is "widespread poverty, which may have prejudicially affected the nutritional level of the female population."

I rather like that quaint phrase—"the nutritional

level of the female population!" In plain English it means, what several other Medical Officers have also asserted, that it is mothers who suffer first and suffer worst under the hell-invented Family Means Test. (And, by the way, we all ought to honour the doctors. They are the one class of people who have spoken up for the poor during these last four years.)

Do you want to know what the seven swords are that the Means-Test mother keeps in her heart?

The first sword is to see her man sitting at home idle, unwanted, despondent, terrified of a committee, a shadow of his own self; and to feel that nobody in authority really cares, or intends to do anything urgent.

The second sword is perhaps when she has to go to work herself, leaving children untended and unkempt, coming in after a long day at the factory to begin work over again at home.

The third sword maybe is to know that she is to bring a child into the world when already there are several around her whom she sees no way of providing for decently. Ponder over that, ye learned in the law!

The fourth sword is to watch her children suffering lack of food and clothing and warmth and fresh air; to compare them in their pallor and rickets and stunted growth with the children of more fortunate women; knowing all the time—as everyone knows now, except those who don't want to know—that there is not the slightest necessity for these privations.

The fifth sword is to see her children die in the

minor epidemics that sweep the crowded streets of the poor, and carry off those that have no reserve of strength to resist. Infant mortality in the slums is twice and three times greater than in the well-to-do districts.

The sixth sword is to see her children, at fourteen, thrown into factory life if they are lucky, or if unlucky, on to the streets without unemployment pay ; and to foresee all the rest of their lives drifting on wastefully after the same precarious fashion.

The seventh sword is the fear, if not the certainty, that when her sons have reached manhood they will be taken from her by the high-priests of Mammon and nailed to the cross of War.

All these, believe me, are the things that Mary keeps in her heart nowadays, nor can we please her by trying to forget them.

O vos omnes, qui transitis per viam. . . . All ye who pass by, priests or levites, or good samaritans, or whoever you are—hurrying to catch your tram to work, or sitting back in the closed car that shelters you from reality—attend and see that which is in front of your eyes, and for which you assuredly bear a measure of responsibility, large or small, in the sight of God and His sorrowful Mother.

September, 1934.

XX

SOCIAL JUSTICE MEANS JUSTICE NOW

"UNEMPLOYMENT, under-nourishment, and preventable malady and accident seem to be the unavoidable concomitant of current civilisation in Western Europe at the present day."

In these words Sir George Newman, Chief Medical Officer of the Ministry of Health, passes judgment on our unjust social system. His annual reports have to pass a Government censorship before they are printed, but he always manages to get some truth stated in them. During the past year, he tells us,

> "there was distress and deprivation, physical and mental, in areas severely depressed by unemployment. . . . Some of the unemployed men, particularly younger men, and certainly many of the women and children in the distressed areas, are showing the inevitable physical signs of prolonged deprivation."

What is true on a large scale in the distressed areas is just as true on a smaller scale in more fortunate areas; for even in such areas there remain considerable sections of the population untouched by the so-called revival of prosperity.

Sir George Newman remarks that the poverty of these days "is not deprivation comparable with that of certain periods of the 19th century." Perhaps not. But there is also not the excuse for it that there was in the 19th century. In those days the age of plenty had not arrived, but now it has. There is more than enough for everybody. If anybody does not get enough to eat now, it is because you and I do not want them to have it. Do not *really* want them to have it. If we wanted them to have enough, they could have it to-morrow ; everybody would gain, and nobody would be losers, except that the bankers would have parted with a little power.

Here is one of the usual cuttings from our local paper last week, about the inquest on an unemployed man, aged 50, who was found dead at home from the effects of gas-poisoning.

> *" His sister said the fact that he had been out of work for a long time worried her brother. He had tried hard to get work, and used to say that a workless man was of no use to the world. He was of a proud nature and refused help and would not contemplate the idea of going into the workhouse. His only income, apart from help received from his brother, was three shillings a week. ' His brother has to make it up,' said witness. ' It is the way they work the Means Test.' "*

The paragraph was headed "A Tragedy of Unemployment," but let us think clearly. It wasn't a tragedy of "unemployment," it was a tragedy

of " no money." The man could have found something useful to occupy his time with, if that had been all. If only a tiny income could have been provided for him in a way consistent with his self-respect and dignity as a man, the tragedy—and hundreds of similar tragedies—would never have happened. Is there any solution of the unemployment problem except National Dividend—consumer-credit—seeing that every man, woman and child get their share of the fruits of God's earth ?

People say : " You're wasting your time. It will never come. The New Economics may be all right in theory, but in practice the Money Power is too strongly entrenched, and the public is too lazy and stupid to understand."

Well, God knows the public mind is lazy and stupid enough, but I don't believe we are wasting our time. It's quite true the Money Power is very strong, and has succeeded in stifling the truth about Money over and over again.

But there is one thing that I do believe in, and that is the British sense of justice. It seems to me a national instinct, inbred in all classes of the nation. When the Englishman really *knows* about an injustice he will change it. We have seen it happen several times in our own lifetime, notably over the Black and Tans in Ireland.

Into the English mind, it seems to me, there has already penetrated a realisation of the monstrous injustice of the continued existence of poverty in this age of Plenty ; and from that fact it is only a single step to the understanding of usury.

SOCIAL JUSTICE MEANS JUSTICE NOW

What is wrong (materially and economically) with the modern world is so appallingly simple, so comparatively easy to set right, that even the slow-going British mind will not be able to take two or three centuries over putting the solution into practice, once it gets on the track of it.

We all know those people who say they believe in social reforms, but always warn us that no results can be expected for another century or two. Well, no Catholic has any right to talk in that way. Justice is a relationship of duty as between *persons*. Social justice concerns me and my neighbour, not after we are dead, but *now*. You cannot pay a debt to your neighbour by making fine plans for his great-grandchildren. If there is such a thing as social justice at all, it is just as urgent as any other kind of justice.

In short, there is still a good deal to be said for the Ten Commandments, if only they could obtain a little more publicity.

October, 1934.

XXI

BETHLEHEM AND USURY*

ALL the circumstances of Our Divine Saviour's coming into the world, like all the circumstances of His Passion and Death, were chosen by God and staged as it were for our instruction. And, therefore, it was not for nothing that Our Lord was born in a stable, and that there was no room for Him in the inn, and that His Mother and St. Joseph were turned away from door to door by the good citizens of Bethlehem. In the Holy Family that night God wishes us to see all those in poverty or distress and in need of help, and in the citizens of Bethlehem we are expected to recognise ourselves.

It is not so much that those house-holders of Bethlehem were specially hard-hearted, any more than you or I are. If they had known that it was the Son of God who was seeking shelter, they would, of course, have thrown open their houses to Him ; but how were they to know ? *They* had never heard Our Lord's words : " As often as you shall do it to the least of My brethren you do it to Me." Or if they had only known of Our Lady's great need, as they might have known if they

*Sermon at Midnight Mass, Christmas, 1934, at the Holy Family Church, Birmingham.

had taken a little trouble and interest, some of them would no doubt have made an effort to do something; but they did not take the trouble. We know how they felt, not from anything we read in the Gospels, but from what we read in our own hearts. They said to themselves: "It's a cold night for anybody to be out in; but thank heaven *we're* all right, anyhow." And then they closed the door and settled down comfortably and put the disturbing thought out of their minds as soon as they could, and in that way they missed the greatest opportunity that ever came to anybody in the history of the world.

Just before Christmas the House of Commons was busy passing the scales of relief for the unemployed under the new Act. You've read about them, no doubt; you know that these new scales are not intended as an emergency measure in a financial crisis, as previous scales have been, you know they are the long-promised and long-delayed permanent settlement of the problem. They represent what the nation thinks it can afford to do for the four or five millions of people concerned.*

You know what the new scales are, how they provide more or less sufficiently for food and rent, how they make no provision worth mentioning for other necessities, such as clothing, recreation, and so on; you know that the family means test will be continued in such a way that these privations

* The scales referred to duly came into force in the new year but aroused so much indignation that they were withdrawn at once.

will be extended to any members of the family who may be in work; and that even though children's allowances are higher, the large families will still be penalised. You know that in some districts the unemployed households will get a shilling or two more, in some districts a shilling or two less, and what it all comes to is that in spite of a few improvements in the new arrangements there is no essential difference from the panic-stricken cruelties that have been practised on the unemployed during the last four years. However, the names may be changed, the spirit is the same hateful old Poor Law as it was before.

Why is that happening? Simply because we are all content that it should happen; because we say to ourselves just what the people in Bethlehem said: "Well, anyhow, I'm all right. I've got a job, thank God. I've got my bit of money in the savings bank still. I've got my dividends still coming in," and so on. And so we—the nation as a whole—are settling down comfortably to the idea that it is right and natural that the unemployed and their families should be underfed and go about in somebody else's left off clothes, and have no money for tram fares, and give up all idea of ever having a holiday or ever getting married.

No; there is nothing natural or right in that. It is just as unnatural as it would be if some family sat round a table at their Christmas turkey and plum pudding and festive drinks but with two or three of them getting nothing but bread and cheese and water because they happened to be unemployed.

There is only one reason for the existence of that kind of poverty at the present day, and that reason is the existence of Usury, and by Usury I mean unjust practices in the creating and issuing of money. That can only go on because we all allow it to go on, because we don't take the trouble to find out about it, and because we don't feel much what happens to the other members of God's family so long as "we're all right, anyhow." It is true to say that most of us, from the highest to the lowest, whether in Church or State or industry, are not really fit to kneel before the Crib, for we have not even begun to understand what God meant by becoming man.

But coming to the Crib is like coming to Holy Communion. We are invited in spite of our unworthiness, even because of it. Even King Herod, the murderer of children, would have been welcomed by that Child if only he had been willing to learn. So we can kneel there in humble and sincere adoration, ready to go to school all over again, and begging God and His Holy Mother to teach us all that is contained in this marvellous sight of the "Grace of God our Saviour" which hath appeared to us in the stable of Bethlehem.

XXII

MAMMON'S HUMAN SACRIFICES

THE means-test suicides, for which we all have a share of responsibility so long as we refuse to look into the money system which directly causes them, still manage to get a line or two in the local papers and sometimes even in the national ones.

When I say " means-test suicides " I don't mean that they are always the direct consequence of appearing before a means-test committee ; I use the term in a quite general way, because it expresses the essential fact. During the last week I have noticed four.

I confess I shouldn't care to draw attention to them like this except in a Catholic paper ; but suicide is the rarest thing amongst Catholics, thank God.

One of last week's tragedies was a clerk, aged thirty-one, and his wife ; they took their child's life with their own. They belonged to a church, and the minister spoke highly of their character and unselfishness--they had given up their house in order to help the parents of one of them. The clerk had been out of work two years.

" Dear mum and dad," his wife wrote, ". . . Will

and I and Marie have been more than happy during our time together, but for the last three years it has been a struggle, and rather than be a burden all round or starving we are doing this."

Another was a girl of twenty who drank poison, " worried because she had been out of work for twelve months and fearing she was a drag on her family."

The third was a man of forty-four who had been in irregular employment for the past five years, and hanged himself (according to the coroner) because " his mind became unhinged owing to worry and ill-health."

It is absurd to refer to such cases as " tragedies of unemployment." They are simply tragedies of lack of money; of a mistaken shame and false sense of guilt, forced into the souls of the victims by the attitude of the nation towards them. Human sacrifices to Mammon.

There are, I am told, about 140 suicides a week, not all connected with " unemployment " but mostly with money worries of some sort.

Moreover, there are tragedies other than suicide. Let me quote to you (if you are still reading this cheerful little article) three more newspaper-cuttings of recent date.

(1) A young man of twenty came from Stoke-on-Trent to London to find a job, and was found dead in a field. " Death was due to exposure and lack of food . . . no money was found on the body."

(2) A Birmingham man was sent to prison for twenty-one days because, when drawing unemployment relief, he said his wife was not working, whereas she was. He pleaded that "with high rents and a family of five children to keep on 29s. 3d. per week he had found things difficult."

(3) A labourer who stole a pair of boots at Evesham thanked the magistrates for giving him a month's hard labour. "I have no dole," he said, "no work, and nothing coming in. I have to steal to live."

Well, there you are—death by starvation; theft; fraud; imprisonment; suicide.

Behind all these casual instances are hundreds—thousands—of cases similar or approximating to them—a vast ocean of human misery caused solely by the lack, not of the necessities of life (because there is no lack of these), but of money.

And for that lack of money there is absolutely no reason except that the power of issuing money has fallen into private hands and is being used for private ends, or rather for the ends of a small class of professional moneylenders.

Cardinal Bourne once asserted "the right of every human being to a true human, and not a mere animal, existence," and said that "there are millions of persons in our country for whom these necessary conditions are never realised." That is still true, even more true, than it was sixteen years ago when he wrote it.

"It cannot be urged," he went on, "that the

goods of this world are insufficient for the maintenance of all those who dwell therein, and that therefore some must inevitably go short. We see everywhere and on every side, and nowhere more than in the English-speaking countries, evidence of wealth and plenty. Money is being acquired and heaped up in the ownership of individuals to such an extent that it must be quite impossible for its possessor to control adequately either its acquisition or its outlay. . . .

> "There is wealth in plenty to satisfy both worker and capitalist, to give the toiler due comfort, security and rest, and to ensure to the employer every legitimate satisfaction that he may rightfully claim. The problem to be solved is to find a way of distributing."

January, 1935.

doing everything we could, by regulations and means tests and petty persecutions, to make them feel their situation as bitterly as possible ; to give them to understand (dastardly lie of moneylenders !) that there was no way for them to live except by sponging on their fellow-citizens in work ; to make every kind of dole or relief as grudging and deterrent as possible, in order that " employment," at the lowest possible wage, should seem by comparison a prize to be struggled for.

Having dropped out of the national family circle during the stresses and confusions of the past few years, the unemployed are now to be kept out of it permanently by the new regulations for Unemployment Assistance.

The important thing to remember about these new scales and regulations is that they represent the final and settled way in which the nation intends to treat the unemployed and their families. Hitherto unemployment has been regarded as a temporary crisis, and the cruel treatment of the unemployed has been excused on the ground of temporary necessity.

By this time we all know that, however much trade may improve, unemployment is going to be a permanent thing, growing more rather than less. After long promises and many delays we have at last enacted the so-called " Charter of the Unemployed."

The essential point of the new regulations, when all is said and done, is this : that henceforth the Unemployed (once their insurance-benefit is ex-

hausted) are to become a distinct class of the community. Of course they always have been so in practice, but now they are to be so in principle and by statute—a class definitely below the "Working-class" in standard of living; a class liable to compulsory labour; a class for whom useless work is "created," to be performed as a condition of being allowed to live.*

The idea behind the new Unemployment Assistance is the same as that behind the Poor Law—that relief must be deterrent, that people on relief must be worse off than people earning a wage; which (since so many wages are less than a living wage) means that people on relief must have less than enough for their needs.

That is what we come to when we make a god of Employment; when we say that Work and Wages shall be for poor men the only title to an income; when we set up "Employment for all" as a goal to be attained at all costs. By that way we come straight to the servile State.

"In the spirit of one family . . ." If that were verified, the unemployed would have their share of everything that the rest of the family has; of work too I suppose, if they wanted it. But the fact is we must give up our superstitious worship of mere Drudgery, and we must learn how to use Work, as we must learn how to use Recreation too, and the device of distribution called Money, and the discoveries of Science, and the Earth itself and

* Six months after the above was written most of the provisions of the Unemployment Act still remain on paper only.

its fruits, as being the "creatures" which God our Father has provided for the members of His family on their journey through this world to their eternal home.

January, 1935.

XXIV

GOOD LAWS AND BAD LAWS

THOMAS PARKER, ex-Guardsman of the Great War, has managed to do something in death that he could never have done when alive. In 1933 he was sentenced to fourteen days hard labour for sleeping out when he had no money and was looking for work, and died in prison as a result of frenzy at the injustice of his sentence. Thus he has united all parties in Parliament in a bill to change the law of Vagrancy.

The law as it stands (said Brig.-General Spears) is a flagrantly unjust example of one law for the rich and another for the poor—a barbaric survival of a time when there was "much disorder in the land and no properly-constituted freedom." Nevertheless, nearly 2,000 poor people a year are convicted under it, and most of them will continue to be convicted, even though Section 4 of the Vagrancy Act (1824) has been amended to meet the case of Guardsman Thomas Parker, who now for 18 months has been beyond the reach of the laws of England.

Another of these unjust laws under which (if one may believe experienced observers) innocent poor men are often arrested and sometimes con-

victed, is that which creates the offence of " loitering with intent to commit a felony."

During the year 1933, the number of people sent to prison in Great Britain was 63,000. Of these 11,000 went to prison because they were too poor to pay fines (often just a matter of a few shillings, lads playing football in streets and so on), another 14,000 for non-payment of maintenance orders, rates and taxes, etc., and many others simply because they were on remand and could not afford bail. In other words, half the people in prison are there *simply* because they cannot pay to stay out. And most of the other half too are in prison because of offences which arise out of poverty and the conditions of slum-life.

The object of laws in a real Christian country would be to enable good men to live amongst bad men. But the object of most laws in England is to enable rich men to live amongst poor men.

It would be over-optimistic to suppose therefore that the unanimous amendment of the Vagrancy Act means the beginning of an era of " new laws strong and sweet."

From the early days of the Bank of England, when the death-penalty was enacted for circulating false bank-notes, and men were hanged in dozens, the Usurer has always been able to get his laws passed in this country, and has known how to maintain them on the statute-book.

On the very same day that House of Commons made post-mortem amends to Guardsman Parker, it also threw out a bill for establishing a Municipal

Bank in Glasgow on the model of the one in Birmingham.

The Birmingham Municipal Bank got through Parliament during the War, when nobody was looking, so to speak. It remains unique, because the Bankers have blocked every similar proposal ever since.

The opponents of the Glasgow Bill were perfectly frank in their reasons. One of them feared that "the purpose of the Bill was to enable the Corporation to borrow money without going through the normal procedure," i.e., without going to the money-lenders of the City of London. The Financial Secretary to the Treasury said it would be unwise to set up a Municipal bank "when money was so cheap." The Bill was rejected by 190 votes to 52.

Over thirty years ago at Oscott I remember Mgr. Parkinson, founder of the Catholic Social Guild, saying casually that the law which legalised Limited Liability Companies was a bad law; yet I never remember either him or any other theologian or Catholic leader drawing public attention to this.

For several centuries in all lands, the civil law has made things easy for the Usurer, and the Church, not seeing her way clear in the changing intricacies of modern finance, has laid down a rough-and-ready rule that there is no need for confessors to disturb the conscience of Catholics who are getting interest on their money in ways legalised by the civil law. But this does not mean that interest-taking is the only way in which the Money-Power may commit injustice. Nor does it

mean that there is no need for people to trouble about the justice or injustice of the laws of their country. On the contrary, if the Church is prepared to tolerate in practice what the civil law permits, there is all the more need for Catholics to study the effect of the existing laws from the point of view of social and distributive justice, and if necessary to work with others to " change the system."

March, 1935.

XXV

A QUESTION OF URGENCY

EVERYBODY has heard what happened to the Good Samaritan on the road from Jerusalem to Jericho, but his adventure on the return journey is not so well known.

After a few days his business was completed and he rode out of Jericho in the company of a Priest and a Levite, who happened to be also returning to Jerusalem that day.

When they came to the inn they all went inside, and the Samaritan inquired after the wounded traveller he had left there on the way down. The innkeeper said the man had recovered well enough to depart the day before ; and that there was another two pence owing for board and lodging. The Good Samaritan having paid this bill, and also for the refreshment of himself and his two companions, the three travellers proceeded on their way until they came to a certain bend in the road.

" It was just about here that I found the victim of the robbers," said the Good Samaritan.

And sure enough when they got round the bend there was another traveller being set upon by two bandits. They had dragged him fifty yards from

the road and one bandit was going through his belongings while the other was striking him with a cudgel as he struggled on the ground.

"Heavens, look over there!" exclaimed the Good Samaritan. "Come on, we are just in time!" And he began to descend from his mule, which was always a troublesome business for him, being not so young as he had been.

"Leave him alone, you villains!" he shouted, "you murderers, you bloody scoundrels!"

"Excuse me, but you will not mend matters by abusive language," said the Priest rather stiffly. "What this highway needs is more goodwill all round."

"That is just what I feel," said the Levite. "Surely we can work for reform without introducing the personal element."

"But they're murdering him!" cried the Good Samaritan.

"It is indeed scandalous," said the Levite. "I shall certainly report it to the proper authority as soon as we reach Jerusalem. It is high time something was done about the patrol-system on this route."

"It is of little use to change systems," remarked the Priest, "unless there is a change of heart."

"But surely you are coming to help!" cried the Good Samaritan, still in difficulties with his mule.

"Unfortunately I feel you are going the wrong way about it," said the Priest. "Why not appeal to their better nature? Many of these bandits are good fellows at heart, I assure you; you would

be astonished if you knew how much some of them cast into the Temple treasury. Try a little persuasion, my dear fellow."

"I doubt if they are in a mood to listen just now," said the Levite. "Better wait for a more favourable opportunity."

"But, good God!" remonstrated the Samaritan, "you can't stand there and look on!"

"Nothing can do any good at present except praying," said the Priest. "And that is what I am trying to do, if only you would not distract me. When the bandits have gone I propose to bring what relief I can to the victim."

"Premature action on our part," observed the Levite, "would do more harm than good. You must educate people first. More gradual, of course, but more effective in the long run."

"Courage, neighbour, I am coming to help you!" shouted the Good Samaritan. "Look here, hold this beast's head for me, will you?" he added to his two companions.

"I fear I must be getting along," replied the Priest. "I recognise the strength and sincerity of your feelings, but you are acting without any regard for prudence. My advice is to remind this unfortunate traveller that we must all expect trials in this life, and that there is a better world hereafter."

"Stay where you are, you fool!" said the Levite. "If you interfere with those fellows, we'll all get our throats cut."

But the Good Samaritan did not hear this, for he was already running towards the bandits brandishing

his staff in a threatening manner. He came up to the one who was beating the traveller and hit him so hard on the head that he fell down stunned; the other robber thereupon made off up a rocky path with the booty he had collected. The Good Samaritan went back to his mule for the oil and wine, and set about rendering first aid to both the wounded, feeling very glad that there was an inn so near at hand.

Meanwhile, the Priest and Levite were well on their way again, and as they went they talked over their adventure.

The Levite said, "Not the slightest use attacking individuals. It's the *system* you want to alter, and that takes time."

The Priest said: "It only shows you the danger of associating with a Samaritan. How different the world would be if men would only listen to the truth!"

June, 1934.

XXVI

CAN WE STOP WAR ?

HOW to stop war ! What to do if another war comes ! This is now a burning question, an urgent personal question, too, for millions of Englishmen. It is being tackled in the usual English ways, with strong feeling, genuine social sense, and not much logic at any rate of the kind that is visible on the surface.

Thus most of the university debating societies have expressed their determination not to fight for King and Country ; the Rev. Dick Sheppard invites us all to send him postcards renouncing war and promising not to support or sanction any war in future ; twenty Anglican clergy in Birmingham form a group pledging themselves in the same sense ; Bishop Barnes publicly urges Christian men serving in the Forces to refuse to drop bombs on tribesmen's villages ; Mr. Baldwin says that another European war would mean the end of civilisation as we know it, that our frontier is now the Rhine, and that we must have more and more bombing-planes.

How far have Catholics anything to say to a world agonising in such tremendous moral dilemmas ?

We have a certain anchorage, of course, in one

or two firm principles which may be called ordinary Catholic teaching. War is a great evil, which always arises from sin of some kind and leads to sins of every kind. We ought to strive in everything to make the danger of war as remote as possible. Nevertheless, it is possible for a war to be just, for one side at least; and in a just war it is not sinful to fight and kill the enemy combatants. It would be sinful for any man (even a soldier) to fight in a cause he knew for certain to be unjust, but in practice the ordinary man may accept the judgment of his rulers. If war can be lawful, it is lawful to be ready for it; consequently soldiering is an honourable profession and the manufacture of armaments is not in itself evil.

So far, so good, and the average unimaginative Catholic is content to stick to these few common-sense statements which he can get out of his books, and to refuse to go beyond them. In this refusal he is mistaken, because the whole situation has changed beyond recognition owing to the emergence of one tremendous new fact; and as usual the books, though still valid as to their principles, are behind in their facts.

The tremendous new fact that makes all the difference is the progress of science as applied to warfare. Appalling powers of destruction are now in the hands of the children of men, and the means of defence have been far outstripped in the race; while the structure of civilised life is more than ever complex and vulnerable.

Another war will be the end—a mortal wound.

War, pestilence, famine—stage after stage of collapsing framework—the long work of thousands of years undone in a lifetime or two.

The other day I listened to a performance of *Antony and Cleopatra*—all fresh to me, so long since I read it—and I was thinking as usual what a wordy half-real fellow Shakespeare is, when suddenly one of the queen's girls came out with ten words that took my breath away. "The bright day's o'er, and we are for the dark." Nobody but Shakespeare gives you casual lines like that—straight into your heart they go like a dagger. Well, it stuck in my mind, and afterwards, while I was waiting for a man who was going with me to a Money-Reform meeting, I thought, "Perhaps it's true, perhaps we're too late, perhaps there aren't enough of us. It does rather look as if the bright day's o'er, and we're all for the dark. The dark ages again, and worse."

That is a universal thought to-day. To the "practical" people, the people of precedents and rules and regulations (God bless them, God forgive them!) it means nothing. They can't take it in. But people who are capable of realistic foresight are filled with a sense of responsibility and a desire to do something to hinder this imminent suicide of civilisation.

It is the present Holy Father who has spoken of the evils which are this time crushing "the whole of humanity," and of the "still graver evils that are threatening"—the possibility of disaster on the scale of the Deluge itself. (*Caritate Christi compulsi.*)

them) more powerful weapons than violence and force.

When Our Lord's words about non-resistance are quoted, I have sometimes heard Catholics say: "That is not a command, but only a counsel." And when it was pointed out that even Our Lord's counsels might suitably be practised by Christians, such Catholics would say: "Oh, but the counsels are meant only for individual persons to practise in private life. A nation is not a person, and has no call to Christian perfection."

This raises several questions.

First, does Our Lord counsel, even to select individuals, the complete renouncing of any use whatever of physical force? Most of us will answer no. What He counsels essentially is to rely to the uttermost on love and forgiveness. To be sure, that may often involve non-resistance, self-sacrifice, the renouncing of the ordinary rights of self-defence, declining to call on state protection, and so on. But there are times also when even for love itself the method of force is clearly indicated: obviously sometimes in private life (in defending others, etc.), and also in public life (policing in general, and the kind of military action that is equivalent to policing). As Pascal says: "Justice without Force is a myth because there are always bad men; Force without justice stands convicted of itself."

So if anybody asks (what I have heard a clergyman ask from a platform): "Can you imagine Jesus Christ putting a bayonet into a fellow-man in any circumstances whatsoever?" I will say yes, I

can for example imagine Him doing it (without any abandoning of His teaching on love and forgiveness) to some Afridi tribesman on the way down to loot and kill and ravish in Peshawar. I see no reason why in certain circumstances Our Divine Lord might not have been as good a soldier as Socrates was. And I think it is just as well to say so straight out, merely to clear the ground of a misunderstanding.

Another question then : Is it true to say that Our Lord's counsels are applicable only to the individual, and not to a nation at all ? Speaking under correction, that seems to me untrue. A nation may not have a soul strictly speaking, but its rulers have souls and consciences. Any nation ought to obey God's commandments ; and if some Christian nation wished to rise to the further height of following out some counsel of Our Lord, I can see nothing to prevent it.

Eight hundred years ago, when warfare was often carried on between families and cities as well as between kings, St. Francis of Assisi travelled Italy preaching peace and disarmament. He more or less abolished local warfare through his famous Third Order for the laity. Thousands of all ranks in life were enrolled in it, and one of its chief rules was that its members should not carry arms, except (if I remember rightly) when lawfully called up by their feudal lord. He also went to Palestine to try and convert the Soldan in his camp, thus giving a broad hint to Christian princes that crusades had gone on quite long enough and that it was time to try something else.

Perhaps some day another St. Francis may arise, to persuade some Christian nation, as a united whole, to make a decision of heroic common-sense about war as between civilised men. "Modern war," such a nation might say, "has become impracticable, insane, suicidal, and armaments have become an impossible burden. Let us be the first nation to disarm, and risk the consequences. Against machine-guns and tanks and artillery, if anybody invades us, we will set a resistance of the spirit, and a call to that sense of justice which all men somehow share."

Such a national decision would not involve disarmament in regard to savage frontier-enemies and such like; but only in regard to fully equipped "civilised" warfare: battle-ships, heavy artillery, bombing planes, and so on. No government could rightly take such a step until its citizens were morally unanimous in agreeing to the risk involved—risks that would be chiefly concerned with freedom and property, but would certainly be real.

No large and powerful nation has ever acted in this way, nor does there seem much likelihood at present that our own country will be the first.

But such decisions will become practical politics in the measure that men realise the solemn fact that another great modern war will be a mortal wound to civilised life in Europe, if not everywhere on earth.

Pending such a morally unanimous decision, it is surely the duty of every man to join in defending his country if called upon in a just war. Given a just

cause, the decision to fight or not fight is necessarily a collective one, and the individual has no right to stay out of it (so it seems to me) even if he sees quite clearly that it means the end of civilisation. Nevertheless one can also imagine a situation in which an authority equal to the State itself (I mean the Church in any given country) might try to save civilisation by urging the citizens to disobey the call to war.

But when all is said and done, the really practical way of preventing war is to concentrate on exposing and remedying the moral-economic causes of it. Men will always fight each other off and on, no doubt; but the permanent black cloud that hangs over the whole modern world is something unnatural and abnormal. It arises out of the greedy struggle for the means of living, which again arises out of the universal sense of insecurity; both the insecurity and the struggle being entirely needless, and due only to the false money-system created by the usurers. Markets for trade, interest for loans, imports and exports, tariffs and quotas, gold-fields, oil-fields—these and the like form nine-tenths of the danger of modern war, and they would all vanish if the moneylenders were dethroned and if the issue of money were brought under control of the nation, and used for the nation's good.

In the end, we must always come back, as St. Francis of Assisi always came back, to the fact that all men belong to one family, with one God and Father over all. Once that is regarded as a fact, then there is a good solid reason for keeping the

peace, a good reason for every nation to get a fair deal in colonies, raw materials, and suchlike, a good reason for doing away with standing armies and armaments, a good reason for letting everybody have the money they need and their fair share of the earth and its God-given fruits.

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